

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
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**FISCAL IMPACT STATEMENT**

**LS 6734**  
**BILL NUMBER: SB 279**

**DATE PREPARED:** Dec 20, 1999  
**BILL AMENDED:**

**SUBJECT:** Promotion of bond issues by political subdivisions.

**FISCAL ANALYST:** Bob Sigalow  
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**FUNDS AFFECTED:**      **GENERAL**  
                                  **DEDICATED**  
                                  **FEDERAL**

**IMPACT:** Local

**Summary of Legislation:** This bill prohibits a political subdivision from using its resources to promote a position on a petition for or remonstrance against a bond issue during the 60 day period following the notice of applicability of the petition and remonstrance process.

**Effective Date:** July 1, 2000.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** Under current law, the issuance of public debt of \$2 million or more by a local governmental unit or school corporation is subject to a petition and remonstrance procedure. It takes the lesser of 250 or 10% of the property owners' signatures to invoke the process. Property owners may then sign either the petition (in favor of) or the remonstrance (against), with the greater number of signatures prevailing.

For the sixty days after the petition and remonstrance procedure is invoked, this bill would prohibit a political subdivision from:

- 1) Using facilities owned by the political subdivision to promote a position unless equal access is given to those with opposing viewpoints;
- 2) Spending money from a fund controlled by the political subdivision to promote a position or to pay for the gathering of signatures; and
- 3) Using an employee to promote a position during normal working hours or while on paid overtime.

The bill would not prohibit payments to attorneys, architects, construction managers, or financial advisors for professional services.

If the any of the prohibited practices noted above are currently in use by any political subdivision, this bill could reduce the public resources used to promote the issuance of debt against the property owners who are opposed to it.

**Explanation of Local Revenues:** If the prohibition of the use of public resources has an effect on the number of property owners who sign the petition and who sign the remonstrance, then the issuance of debt could be affected. If the number of petitioners is too low (as a result of the prohibition) to issue the debt, then the political subdivision cannot proceed with the project and must cancel or modify the request. If this happens then the property tax levy used to pay the debt service or lease/rental would be eliminated or reduced.

**State Agencies Affected:**

**Local Agencies Affected:** Local civil units and school corporations.

**Information Sources:**