

Subject Local government debt financing modified

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Overview

This bill makes a number of changes in laws relating to municipal financing.

Summary

Section	Description
1	Allocation; termination. Allows counties to use funds generated by county transportation sales taxes for payment of capital costs of constructing buildings and other facilities used for maintaining transportation or transit projects.
2	Installment; lease purchase; city, county, town, school. Clarifies that installment contracts that local governments use to purchase real or personal property are not to be included in the calculation of the local government's net debt if the amount is under \$1 million.
3 & 5	Interest rate; advertisement. Deletes outdated and confusing terminology relating to the interest rate of municipal debt.
4	Street reconstruction and bituminous overlays. Allows municipalities to use street reconstruction bond proceeds to construct bicycle lanes, sidewalks, and paths that are incidental to street reconstruction. This provision aligns the statute with current practice.
6	Repealer. Repeals overlapping and contradictory language regarding the sale of port authority property.

Effective date: All sections are effective July 1, 2020.



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