



SENATE BILL 704: COVID-19 Recovery Act, Sec. 4.29: Local Government Commission Revisions

2019-2020 General Assembly

Committee:		Date:	October 19, 2020
Introduced by:		Prepared by:	Jonathan Zator
Analysis of:	Sec. 4.29 of S.L. 2020-3		Staff Attorney

OVERVIEW: Section 4.29 of S.L. 2020-3 requires local finance officers to submit statements of financial information concerning COVID-19 impacts on local finances to the Local Government Commission (LGC) by February 15, 2021. The section requires the LGC to submit a report of this financial information and any recommended legislation to the Joint Legislative Committee on General Government and the Fiscal Research Division by March 15, 2021.

The section became effective May 4, 2020. The provisions addressing the COVID-19 financial information expire February 15, 2021, and the provision addressing the LGC report expires March 15, 2021.

CURRENT LAW: The finance officer of each local governmental unit and public authority must submit to the LGC secretary on January 1 and July 1 of each year (or such other dates as the secretary may prescribe) a statement of financial information concerning the unit or public authority.

BILL ANALYSIS: Sec. 4.29 of S.L. 2020-3 requires the finance officer of each county, municipality, water district or authority, sewer district or authority, sanitary district, and metropolitan sewage district to submit to the LGC secretary a statement of financial information concerning the impact of COVID-19 on the finances of the unit or public authority no later than February 15, 2021. The statement must include monthly data for the period of July 1, 2019 through December 31, 2020 on the following:

- Utility payments, including water, sewer, and electric.
- Reductions in tax revenue.
- Reductions in services due to reductions in tax revenue.
- Total revenues received from building inspections, by type.
- The ability to meet debt service obligations.
- The balances of any capital reserve funds.
- The purpose of any withdrawals from capital reserve funds.
- Any other information prescribed by the secretary.

The LGC must use the above COVID-19 financial information to identify units and public authorities that require assistance similar to that provided to units and public authorities on the Unit Assistance List compiled by the LGC. The Unit Assistance List identifies financially at-risk local governments based on internal control issues, financial issues from general funds, and financial issues from water and sewer funds.

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The LGC must report to the Joint Legislative Committee on General Government and the Fiscal Research Division on the information provided by units and public authorities and include any recommendations for legislation by March 15, 2021.

EFFECTIVE DATE: This section became effective May 4, 2020. The provisions addressing the COVID-19 financial information expire February 15, 2021, and the provision addressing the LGC report expires March 15, 2021.