



HOUSE BILL 259: 2023 Appropriations Act, Sec. 36.3: Bond Referendum Transparency

2023-2024 General Assembly

Committee:		Date:	December 4, 2023
Introduced by:		Prepared by:	Hillary Woodard Staff Attorney
Analysis of:	Sec. 36.3 of S.L. 2023-134		

OVERVIEW: Section 36.3 of S.L. 2023-134 amends the ballot language required for a general obligation bond referendum to add the following:

- The estimated cumulative cost over the life of the bond, using the highest interest rate charged for similar debt.
- The amount of property tax liability increase to service the cumulative cost over the life of the bond, stated for each \$100,000 of property tax value.

Section 36.3 also requires that the ballot language explicitly state that additional property taxes can be levied on property located in the unit of local government to repay the debt.

This section became effective December 31, 2023, and applies to bond referendums conducted on or after that date.

CURRENT LAW: General obligation bonds can be issued only for limited purposes, as specified by law. When a unit of local government issues a general obligation bond, that unit of local government can levy property tax to repay the debt. Prior to issuing general obligation bonds, a unit of local government must first obtain approval from a majority of the qualified voters of that unit of local government, with some limited exceptions.

BILL ANALYSIS: S.L. 2023-134 modifies the language placed on a ballot in a bond referendum election. The ballot language must:

- Specify that additional property taxes can be levied on property located in the unit of local government to pay the amount of the bond if the bond is approved by the qualified voters.
- Include the estimated cumulative cost over the life of the bond using the highest interest rate charged for a similar debt.
- Include the amount of property tax liability increase for each \$100,000 of property tax value to service the cumulative cost over the life of the bond.

EFFECTIVE DATE: This section became effective December 31, 2023, and applies to bond referendums conducted on or after that date.

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