



2023-2024 General Assembly

# SENATE BILL 508: 2023 Budget Technical/Other Corrections, Sec. 1.1: Local Government Budgets/Settlement Projects

**Committee:**  
**Introduced by:**  
**Analysis of:** Sec. 1.1 of S.L. 2024-1

**Date:** August 23, 2024  
**Prepared by:** Nicholas Giddings  
Staff Attorney

**OVERVIEW:** Section 1.1 of S.L. 2024-1 expands the accounting requirements for local governments and public authorities to authorize the budgeting of settlement projects in project ordinances. A "settlement project" is defined as "a project financed in whole or in part by revenues received pursuant to an order of the court or other binding agreement resolving a legal dispute."

*This section became effective July 1, 2023.*

**CURRENT LAW:** The Local Government Budget and Fiscal Control Act authorizes local governments and public authorities to budget for capital projects and grant projects in project ordinances. A "capital project" is "a project financed in whole or in part by the proceeds of bonds or notes or debt instruments or a project involving the construction or acquisition of a capital asset." A "grant project" is "a project financed in whole or in part by revenues received from the federal and/or State government or other grant or settlement funds for operating or capital purposes as defined by the grant contract."

**BILL ANALYSIS:** Section 1.1 of S.L. 2024-1 expands the accounting requirements for local governments and public authorities in the Local Government Budget and Fiscal Control Act to authorize the budgeting of settlement projects in project ordinances. Therefore, project ordinances may include capital projects, grant projects, and settlement projects. A "settlement project" is defined "as a project financed in whole or in part by revenues received pursuant to an order of the court or other binding agreement resolving a legal dispute."

The section also makes several technical and conforming changes, including removing reference to "settlement funds" from the definition of "grant projects" and creating a definition of "project ordinance" that encapsulates capital projects, grant projects, and settlement projects.

**EFFECTIVE DATE:** Section 1.1 of S.L. 2024-1 became effective July 1, 2023.

Kara McCraw  
Director



Legislative Analysis  
Division  
919-733-2578