

REVENUE: No Revenue Impact

FISCAL: No Fiscal Impact

Action: Do pass as amended; be printed engrossed.

Vote: 9-0-0

Yeas: Berger, Bruun, Butler, Gelser, Olson, Read, Rosenbaum, Witt, Barnhart

Nays:

Exc.:

Prepared By: Mazen Malik, Economist

Meeting Dates: 03/27

WHAT THE BILL DOES: Allows city incorporated after certain date and not within urban growth boundary to issue short-term obligation before fiscal period in which tax revenues or other money is anticipated. Declares an emergency and makes it effective on passage.

ISSUES DISCUSSED:

- All the needs of a new city.
- Tax Anticipating Notes.
- \$50 thousand loan from the governor.
- Other cities and jurisdictions helping.

EFFECT OF COMMITTEE AMENDMENTS: Introduces the emergency and makes the bill effective on passage.

BACKGROUND:

Current law permitted only cities within an urban growth boundary to issue tax anticipation notes. Current law is the result of amending law in the 2005 session (SB 341) to accommodate the incorporation of the city of Damascus at that time. Before that the borrowing was only allowed against money that will come in the same year. The new incorporation of the city of La Pine, presented the same difficulties as Damascus was in, however, it is not with an Urban Growth Boundary (UGB). The proposed change in the law will remove the UGB requirement.