

Statement of Estimated Local Revenue Impact

Date: February 26, 2013

Bill Number: S. 138

Author: Lourie

Committee Requesting Impact: Senate Finance

Bill Summary

A bill to amend Section 6-5-10 of the 1976 Code, relating to entities in which local government units and political subdivisions are allowed to invest, to allow local government units and political subdivisions to invest in obligations of a corporation, state, or political subdivision denominated in United States dollars, if the obligations bear an investment grade rating of at least two nationally recognized rating services.

REVENUE IMPACT ¹¹

This bill as amended is not expected to impact State revenues. The bill expands the investments allowed by local governments and any impact upon local revenues would be dependent upon the investment decisions of the local government.

Explanation of the Bill

This bill would amend Section 6-5-10 relating to the entities in which a local government may invest. The bill would allow local governments to invest in obligations of a corporation, state, or political subdivision denominated in United States dollars if the obligations bear an investment grade rating from at least two nationally recognized rating services. Because the bill is permissive and allows local governments to elect to invest in a broader range of investments, any impact on local revenues would be dependent upon the decisions of the local governments.



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¹¹ This statement meets the requirement of Section 2-7-71 for a state revenue impact by the BEA, or Section 2-7-76 for a local revenue impact or Section 6-1-85(B) for an estimate of the shift in local property tax incidence by the Office of Economic Research.