

HB 2126-S - DIGEST

(DIGEST OF PROPOSED 1ST SUBSTITUTE)

Provides the tools necessary to prevent a default on debt issued by public facilities districts before the next regularly scheduled legislative session.

Creates the distressed public facilities district obligation account.

Requires the state treasurer to transfer forty-two million dollars from the local sales and use tax account into the distressed public facilities district obligation account.

Requires the state treasurer and the state auditor to:

(1) Examine the financial condition of the state's two thousand four hundred local governmental entities to identify those in which there may be indications of financial distress; and

(2) Consult with certain parties to assist in the examination of the financial conditions of the local governments.

Requires the state treasurer to recommend legislation to establish a forward-looking capacity to protect the state and its local governmental entities from negative effects in the unlikely event of another impending default on debts owed by a local governmental entity.