



ROSENSTEIN, FIST & RINGOLD

RED BANNER UPDATE

Date: May 19, 2017

Re: HB 1949

Signed: April 24, 2017

Effective: November 1, 2017

Topic: Bond Transparency Act of 2017

Summary: HB 1949 creates the Bond Transparency Act of 2017. The Act applies to both career techs and K12 districts and imposes certain notification requirements related to bonds. After the board approves a bond or other evidence of indebtedness for a vote it must provide the following information on the district's website:

- description of the project
- description of any unpaid or unfinished bond
- detailed description of the use of the previous bond proceeds (for real property purchases and improvements, this must include information such as an address so that individuals can identify the property)

Compliance with the Act is likely to be burdensome for districts. The Act contains ambiguous language which will likely require an opinion from either a court or the Attorney General in order to determine the exact requirements. For example, the Act says that the required notice (outlined above) must be given "at least thirty (30) days after approval for a vote..." but the Act does not specify the deadline for posting. We believe that this actually means within 30 days, but the law does not say that.

If the district doesn't have a website, the Act requires that the district use some other internet-based method to make this information available to voters. If there is no other reasonable internet-based method, the district should publish the notice in a local newspaper. There is no timeline associated with this publication requirement.

No changes are anticipated to any district policy.