

of these services, as well as the costs connected with the publication of the notice of sale in a newspaper and the printing of bonds.²⁴

With respect to Virginia, the Advisory Commission on Intergovernmental Relations found:

Local governments have profited from the activities of the Virginia Commission on local debt in the form of better prices for their bonds and some savings in consultants' fees. The centralization of local bond sales intensifies the competition for the offering, and the availability of detailed information on local finances tends to upgrade credit ratings.²⁵

OTHER FORMS OF STATE ASSISTANCE

Standards for notices of sale.—A number of States prescribe minimum standards for data to be included in official statements on local debt offerings. New Jersey, for example, requires that the notice of sale for a bond issue contain the following basic data: (1) the principal amount, date, denomination, and maturities of the bonds offered for sale; (2) the rate or rates of interest to be borne by the bonds; (3) the terms and conditions of public sale; and (4) such other information as may be required by the governing body.²⁶ New Jersey law further provides that:

A public sale of bonds shall be advertised at least once * * * seven days prior * * * [to the sale] * * * in a newspaper qualified for publication of a bond ordinance of the local unit and in a publication carrying municipal bond notices and devoted primarily to financial news or the subject of State and municipal bonds and published in the City of New York and New Jersey.²⁷

New York statutes assign to the State comptroller responsibility for regulating the form, publication, and mailing of bond issue sale notices. Minimum information required by law to be contained in such notices includes: designation of the place where bids will be received and opened, the maximum rate of interest to be paid, conditions of sale, and method of bidding. Additional information may be required by the comptroller, if he deems it advisable.²⁸ In addition, the comptroller prescribes the standards and basic information that local governments must embody in a bond issue prospectus. Basic facts to be contained in each such prospectus include: a description of the community, financial experience for the preceding 5-year period, detailed information on tax collection, a summary statement of the assets of various city funds, a schedule of bond maturities, descriptive analysis of the finances of overlapping and coterminous government units, and related historical financial data.

Publication of data.—Approximately half the States require local governments to file debt reports as part of the auditing process. However, with few exceptions, States that do gather audit and financial reports fail both to "prescribe standard reporting classifications * * * and to * * * disseminate the information they gather in any meaning-

²⁴ "State Aid to Counties and Municipalities in Debt Services," address by J. Gordon Bennett, Virginia auditor of public accounts and member of the Virginia State Commission on Local Debt, municipal finance commission, annual seminar, Lansing, Mich., May 8, 1962.

²⁵ Advisory Commission on Intergovernmental Relations, *supra*, note 5, p. 58.

²⁶ "New Jersey Statutes Annotated," 1965 cumulative supplementary pamphlet, title 40A: 2-31.

²⁷ *Ibid.*, title 40A: 2-30.

²⁸ "Consolidated Laws of New York Annotated," book 33, secs. 57.00-59.00.