

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 172** SLS 22RS 434

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: March 14, 2022 3:48 PM	Author: REESE
Dept./Agy.: Treasury	Analyst: Kimberly Fruge
Subject: State Bond Commission Reports and Presentations/Penalties	

BONDS OR NO IMPACT See Note Page 1 of 1
Provides relative to costs of issuance and the reporting requirements for bonds approved by the State Bond Commission. (7/1/22)

Present law requires that if the total costs of issuance exceed the total approved costs or if the actual costs of issuance in any line item exceed the approved costs by 10% or more, the issuer must obtain supplemental approval of the State Bond Commission prior to paying any excess of the approved costs of issuance. Proposed law removes the requirement to obtain supplemental approval and requires the issuer to provide a written explanation to the State Bond Commission and may be required to appear at a meeting of the State Bond Commission for further explanation.

Proposed law repeals present law that provides for penalties for failure to comply with present law.

EXPENDITURES	2022-23	2023-24	2024-25	2025-26	2026-27	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2022-23	2023-24	2024-25	2025-26	2026-27	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure. Proposed law requires the issuer of a bond to provide a written explanation to the State Bond Commission if the total costs exceed the proposed costs or if the total costs of any line item exceed the approved costs by 10% or more. Proposed law also requires the issuer be available to appear at the State Bond Commission to provide further explanation if necessary. The Treasury has indicated that staff will continue to provide analysis of closing reports where the total cost of issuance exceeds that originally approved or where any cost of issuance line item exceeds that originally approved by 10% or more. The department also indicates that any change in the amount of staff effort required to present the additional information at the State Bond Commission is expected to be negligible and can be absorbed with existing staff.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure. Proposed law eliminates the penalty associated with failure to submit a closing report to the State Bond Commission. The Treasury indicates that the penalty has never been enforced or assessed since it was placed into statute in 2008, therefore the removal of such penalty will result in no changes in revenue for the department.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Evan Brasseaux
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Interim Deputy Fiscal Officer