

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 384** SLS 14RS 630

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

| | |
|--|--------------------------------|
| Date: April 2, 2014 9:46 AM | Author: LAFLEUR |
| Dept./Agy.: State Bond Commission | Analyst: Deborah Vivien |
| Subject: Mandates compliance with SEC continuing disclosure rules | |

BONDS EG NO IMPACT GF EX See Note Page 1 of 1

Requires issuers of state municipal securities to comply with certain continuing disclosure rules of the United States Securities and Exchange Commission. (8/1/14)

Proposed law provides for procedures of compliance and audit for municipal securities issued in the state, in keeping with the federal Securities and Exchange Commission regulations. All public entities shall maintain certain records, including a list of securities issued, a copy of all continuing disclosure agreements, and current bond ratings (if required by the agreement). The records are to be made available for audit along with Electronic Municipal Market Access (EMMA) filings which should be in compliance with the continuing disclosure agreements. The audit report for each bond issue will include these records and become a component of the annual financial audit of the public entity.

| EXPENDITURES | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 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 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 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 state governmental expenditures as a result of this measure. Bonds issued by the state are currently in compliance with this bill. To the extent that local public entities must adjust procedures for compliance, certain expenses may be incurred. Presumably, since the bill mirrors federal regulations and federal compliance is likely, few, if any, adjustments are expected.

Note: Any additional audit expenses incurred by the Legislative Auditor in relation to this bill are expected to be small, less than \$1,000 per audit for fewer than 10 audits, and included in the audit fee paid by the audited entity. In the case of audited state agencies, the appropriate means of finance will be used to pay what may be a slightly higher audit fee.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

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|---|----------------------------|--------------|--|
| <u>Senate</u> | <u>Dual Referral Rules</u> | <u>House</u> | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S} |
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | | | <input type="checkbox"/> 6.8(F)(2) >= \$500,000 State Rev. Reduc. {H & S} |
| <input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} | | | <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S} |

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