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.