

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 433** SLS 16RS 959

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 13, 2016 10:12 AM	Author: MORRELL
Dept./Agy.: Treasurer/State Bond Commission	Analyst: Deborah Vivien
Subject: Changes related to Chairman of State Bond Commission	

BONDS EG SEE FISC NOTE SG RV See Note Page 1 of 1
Provides for the activities and responsibilities of the State Bond Commission. (8/1/16)

Current law appoints the State Treasurer as the Chairman of the State Bond Commission (SBC). For reporting requirements, issuers must present a final report on the cost of issuance within 45 days of closing. If the actual cost of issuance is at least 10% greater than the approved cost of issuance, the issuer is required to obtain approval of the SBC prior to payment. In addition, any fees incurred after the final 45 day reporting period must be estimated and presented to the issuer and the SBC along with a final report of actual fees within 45 days of payment. Violation of these reporting requirements results in a mandatory fine of twice the fee received that caused the violation. In order to take up a matter not on the posted agenda of a public body, unanimous approval of members present is required. Proposed law directs the SBC to elect a Chairman by majority vote (the State Treasurer remains a member of the SBC) with continued staffing by the Treasurer's office. The bill prohibits the Chairman from soliciting or accepting funds from any professional or person retained in relation to applications to the SBC from the date the application is filed until one month after approval or disapproval. The Chairman is elected for 4 years concurrent with the legislative term. The bill retains all reporting requirements and any fines related to costs of issuance. Any review of applications by SBC is limited to legality and financial feasibility. For the SBC only, a majority of members present may approve consideration of an issue not on the posted agenda.

EXPENDITURES	2016-17	2017-18	2018-19	2019-20	2020-21	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
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>	<u>\$0</u>
Annual Total						
REVENUES	2016-17	2017-18	2018-19	2019-20	2020-21	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>	<u>\$0</u>
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

While not explicit in the bill, according to the Treasury, the bill's language may require that reviews of requested measures now be extended to private entity applications whereas only governmental applications are currently reviewed for financial feasibility. To the extent that private sector applications may now require financial feasibility review (currently undertaken and paid by the applicant), additional staff and resources may be needed.

Though the Chairman of State Bond Commission (SBC) is elected under this bill, the Treasurer's office will continue to staff the SBC with all related fees continuing to flow as under current law, subject to appropriation, even if the Treasurer is not elected as SBC Chairman.

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"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {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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