	LEGISLATIVE FISC Fiscal Not								
		Fiscal Note On:	SB	<b>414</b> S	LS 16RS	1092			
::Leg諸執tive		Bill Text Version: REENGROSSED							
FiscaleDffice		Opp. Chamb. Action:							
		Proposed Amd.:							
		Sub. Bill For.:							
Date: April 22, 2016	2:04 PM	Aut	hor: ∟	UNEAU					
Dept./Agy.: Treasury/State Bo	nd Commission								
Subject: Local Bond Sales a	and Use of Bond Premium	Ana	lyst: D	)eborah \	/ivien				

BONDS

RE SEE FISC NOTE LF RV See Note

Page 1 of 1

Provides for the application of a premium, if any, in connection with the issuance of bonds. (gov sig)

Current law directs any local bond premium to be used as payment for principal or interest on the bonds and deposited in the manner of taxes levied and collected for debt service.

Proposed law retains current law on the use of all local bond premiums along with any accrued interest and further allows all local bond premiums to be used directly for any purpose for which the local bonds are being issued (and deposited into the same account as local bond proceeds). Proposed law amends a provision dealing with the selling price of local bonds to comply with the accepted interpretation of conflicting statutes. Effective upon governor's signature.

EXPENDITURES	2016-17	<u>2017-18</u>	<u>2018-19</u>	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	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Annual Total						
REVENUES	2016-17	2017-18	2018-19	2019-20	2020-21	<u>5 -YEAR TOTAL</u>
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	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Annual Total						

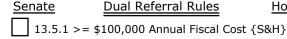
## **EXPENDITURE EXPLANATION**

There is no anticipated direct material effect on governmental expenditures as a result of this measure. The bill primarily changes procedures and allowances of local bond issuances but is not expected to materially change the number of bond issuances requiring additional operational expenditures. However, expenditures resulting from an additional option in bond premium utilization could alter future debt service requirements.

The bill may change the distribution and timing of available revenue by allowing the application of all premiums directly to projects eligible for local bonds in addition to retaining the option of applying the premiums to debt service, though in this instance local expenditures in early years could be greater than under current law. This premium use provision may be retroactive. To the extent that premiums are generated and are applied to projects instead of debt service, local revenue expenditures, and thus available revenue, may be distributed differently across fiscal years through changes in debt service requirements in the future.

## **REVENUE EXPLANATION**

The bill does not generate additional revenue but may change the distribution and timing of available revenue by allowing the application of all premiums directly to projects eligible for local bonds in addition to retaining the option of applying the premiums to debt service.



Dual Referral Rules

House

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

egg V. allert

13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}