

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version: CSSB 191(FIN)
Fiscal Note Number: 1
(S) Publish Date: 3/12/14

Identifier: SB191-DOR-TRS-02-28-14
Title: GENERAL OBLIGATION BOND FUND
TRANSFER
Sponsor: FINANCE
Requester: Senate Finance

Department: Department of Revenue
Appropriation: Taxation and Treasury
Allocation: Treasury Division
OMB Component Number: 121

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2015	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2015 Request	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
OPERATING EXPENDITURES	FY 2015	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

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Estimated SUPPLEMENTAL (FY2014) cost: 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2015) cost: 0.0 *(separate capital appropriation required)*
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? no
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

Initial Version

Prepared By: <u>Pam Leary</u>	Phone: <u>(907)465-3751</u>
Division: <u>Treasury</u>	Date: <u>02/28/2014 11:00 AM</u>
Approved By: <u>Angela Rodell</u>	Date: <u>02/28/14</u>
Agency: <u>Commissioner, Department of Revenue</u>	

FISCAL NOTE ANALYSIS #1

**STATE OF ALASKA
2014 LEGISLATIVE SESSION**

BILL NO. CSSB 191(FIN)

Analysis

The bill amends existing statute to provide for more constrained but administratively streamlined borrowing from the general fund for transfers to general obligation bond construction funds. The bill eliminates the need to obtain approval of the Legislative Budget and Audit Committee unless the transfer under this authority were to exceed 25% of the total general obligation bond authorization and requires that transfers from the general fund be repaid within 15 months following transfer. Currently there is no limit on the term of transfer. The bill also creates the requirement to notify the Legislative Budget and Audit Committee of any transfer from the general fund for this purpose.

The bill creates flexibility that will allow the State Bond Committee and Department of Revenue to borrow funds in a more "just in time" fashion to both better comply with Internal Revenue Service code and eliminate the negative carry cost of borrowed funds sitting in construction funds for extended time frames as well as have greater flexibility in responding to changes in capital market conditions. The potential opportunity cost of investing funds held in the general fund is offset by the cost of paying interest expense on borrowed funds that aren't yet needed.