	LEGISLATIVE FISCAL Fiscal Note	OFFICE							
ana na		Fiscal Note On:	SB	321	SLS	14RS	718		
::Leg韻執tive	Bill Text Version: ENGROSSED								
FiscaleDffice	iscriteu frie Opp. Chamb. Action:								
		Proposed Amd.:							
and the second		Sub. Bill For.:							
Date: April 30, 2014	11:24 AM	Aut	t hor: R	ISER					
Dept./Agy.: DOA Facility Planning	& Control/Higher Education								

Subject:	Higher Education Capital Outlay Projects

CAPITAL OUTLAY

EG INCREASE SG EX See Note

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Analyst: Deborah Vivien

Provides for exemption of certain higher education projects not to exceed one million dollars from inclusion in the capital outlay budget and exempts short term loans issued for such projects from net state tax supported debt. (2/3-CA7s6(F)(1)) Current law provides for an exemption from the capital outlay procedure and capital outlay bill for higher education projects (minor repairs, renovation, or construction of buildings/facilities and the purchase of land or buildings/facilities) when the construction cost or purchase price is less than or equal to \$500,000.

Proposed law increases the dollar amount of projects exempted from \$500,000 to \$1 M and provides for an inflationary adjustment of the threshold annually by the change in the Consumer Price Index (CPI), (presumably an annual change in the CPI for all items, U.S. city average) as reported in January by the Bureau of Labor Statistics. It further provides that debt may be incurred for a short term loan for such projects not to exceed one year and payable from self-generated revenues. The bill reiterates that the debt incurred under the bill's provisions will not be considered Net State Tax Supported Debt.

EXPENDITURES	2014-15	2015-16	2016-17	2017-18	2018-19	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
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	<u>2014-15</u>	2015-16	2016-17	2017-18	<u>2018-19</u>	<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	<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

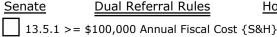
EXPENDITURE EXPLANATION

Higher educational institutions may realize an indeterminable increase in SGR expenditures only if they elect to exercise their authority to acquire short term loans to fund projects (minor repairs, renovation, or construction of buildings/facilities and the purchase of land or buildings/facilities) not included in the capital outlay budget. As the threshold for the exemption from the capital outlay process increases annually based on the CPI (roughly 2-3%), the ability to incur additional short term debt also increases, though the issuance will require the approval of the State Bond Commission. The actual impact on expenditures will depend upon the number and amount of short term loans incurred by higher educational institutions. The state does not currently incur short term debt.

Under current law, similar bonds are not considered Net State Tax Supported Debt, so the specific exemption included in this bill is not expected to have an impact.

REVENUE EXPLANATION

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



Dual Referral Rules

<u>House</u>

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

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

6.8(F)(2) >= \$500,000 State Rev. Reduc. {H & S} 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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