F I S C A L   I M P A C T   R E P O R T

SPONSOR:	Burpo	DATE TYPED:	02/22/01	HB	169/aHGUAC
SHORT TITLE:	State Private Activity Bond Changes			SB	
			ANALYST:		Eaton

REVENUE

Estimated Revenue		**Subsequent Years Impact**	**Recurring or Non-Rec**	**Fund Affected**
FY01	**FY02**			
	Unknown			

(Parenthesis ( ) Indicate Revenue Decreases)

SOURCES OF INFORMATION

Attorney General’s Office

SUMMARY

Synopsis of HGUAC Amendment

The House Government & Urban Affairs Committee amendment changes the “state ceiling” definition/calculation by striking fifty dollars and inserting $62.50, and by changing the minimum amount from $150 million to $187.5 million. As a point of information, the ceiling will also be raised because population based on decennial census figures is used in the calculation and is higher in 2000 than in 1990 (p. 5 lines 20-22).

Synopsis of Original Bill

This bill will expand the definition of "issuing authorities" and will provide the Board of Finance greater flexibility in allocating the state's private activity bonds.

Significant Issues

The current law has calendar, percentage and agency limits on bond allocations. Currently, the Board of Finance can only make available 40 percent of the year's allocation to state agencies (i.e., Mortgage Finance Authority and Education Assistance Foundation) prior to June 30th. The other 60 percent of the year's allocation goes to non-state agencies prior to June 30th. The Board can make available any remaining amounts to any party after July 1st. This bill will delete these calendar, percentage and agency limitations. This bill will also add "regional housing authorities" and "other governmental entities permitted by state law" to the definition of "issuing authorities".

FISCAL IMPLICATIONS

Unknown.

POSSIBLE QUESTIONS

Why does the current law have percentage limitations on state agencies and non-state agencies?

JBE/ar