

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1371-05
Bill No.: SB 436
Subject: General Obligation and Revenue Bonds; Tobacco Products
Type: Original
Date: February 10, 2003

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on Other State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS
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FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the Governor, Secretary of State, Office of the Attorney General, Office of the State Treasurer, Office of the State Auditor,** and the **Office of Administration, Division of Accounting and Division of Budget and Planning** assume this legislation would not fiscally impact their respective agency or that any potential costs arising from this proposal can be absorbed with existing resources.

Oversight assumes this proposal is enabling legislation and there would be no fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2004	FY 2005	FY 2006
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2004	FY 2005	FY 2006
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\$0

\$0

\$0

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal makes changes to the authorization allowing securitization through the sale of bonds of a portion of the state's annual tobacco settlement payments. Under current law, a limit of \$175 million of the bond proceeds could be used in any one fiscal year. Any unused amount could be carried forward and be cumulatively added to the next fiscal year's expenditure allowance of \$175 million.

The proposal changes this provision by capping Fiscal Year 2003 expenditures of the proceeds at \$100 million and limiting future expenditures to no more than \$300 million in any subsequent fiscal year.

The bill also clarifies the law allowing concurrent authority to the Board of Public Buildings to issues bonds for securitization with the Tobacco Settlement Financing Authority and requires all proceeds from the bond sale to be deposited in the Tobacco Securitization Settlement Trust Fund.

The bill contains an emergency clause.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

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Secretary of State
Office of the Attorney General
State Treasurer
Office of Administration
 Division of Accounting
 Budget and Planning
Office of the Governor
Office of the State Auditor

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
February 10, 2003