

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4301-02
Bill No.: SCS for SB 944
Subject: Auditor, State; Bonds - General Obligation and Revenue
Type: Original
Date: March 3, 2008

Bill Summary: Modifies the fees the Auditor receives for registering bonds.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
General Revenue	(Unknown greater than \$500,000)	(Unknown greater than \$500,000)	(Unknown greater than \$500,000)
Total Estimated Net Effect on General Revenue Fund	(Unknown greater than \$500,000)	(Unknown greater than \$500,000)	(Unknown greater than \$500,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on FTE	0	0	0

Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Administration** and **Secretary of State's Office** assume no fiscal impact to their agency.

Officials from the **State Auditor's Office (SAU)** assume using the new method as proposed by this legislation the amount paid for the bonds registered by the auditor's office in FY 07 would have been \$86,500. 138 bond issuances were registered from \$0 to \$10,000,000 for a total of \$69,000 (138x\$500); 10 bond issuances were registered from \$10,000,001 to \$35,000,000 for a total of \$10,000 (10x\$1,000); 5 bond issuances were registered at \$35,000,001 or above for a total of \$7,500 (5x\$1,500). Under the current method the state auditor's office was paid \$1,020,782 in FY 07 for bond registration leaving a difference of \$934,282. Since the number of bond registrations can vary each year, we also calculated these amounts for FY 06. Based on the same methodology above, the legislation would have resulted in a total fee of \$96,000 in FY 06. During that same year (FY 06), the auditor's office was paid \$1,231,169 for bond registration resulting in a difference of \$1,135,169. While it is difficult to pinpoint an exact cost of this legislation, the General Revenue funding reduction is likely to fall between \$934,282 and \$1,135,169.

Oversight assumes based on information received from the State Auditor's Office the number of bond issues has been consistent. Although, this is not an indication of what bond issues will be in the future, it appears there would be a loss of fees to register bonds. Oversight assumes this loss to be unknown but expected to exceed \$500,000.

<u>FISCAL IMPACT - State Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
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GENERAL REVENUE

Cost - State Auditor's Office

	<u>(Unknown greater than \$500,000)</u>	<u>(Unknown greater than \$500,000)</u>	<u>(Unknown greater than \$500,000)</u>
Registration Fees			
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(Unknown greater than \$500,000)</u>	<u>(Unknown greater than \$500,000)</u>	<u>(Unknown greater than \$500,000)</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

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

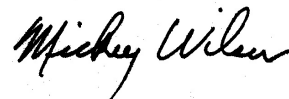
FISCAL DESCRIPTION

The proposed legislation changes the fee for the State Auditor to register bonds.

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

Office of Administration
Secretary of State's Office
State Auditor's Office



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