

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4301-03
Bill No.: Truly Agreed To and Finally Passed SS for SCS for SB 944
Subject: Auditor, State; Bonds - General Obligation and Revenue
Type: Original
Date: May 29, 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	Unknown greater than \$500,000	Unknown greater than \$500,000	Unknown greater than \$500,000

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 \$186,185. Under the current method the state auditor's office was paid \$1,013,252 in FY 07 for bond registration leaving a difference of \$826,767. 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 \$210,784 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 \$1,020,385. While it is difficult to pinpoint an exact cost of this legislation, the General Revenue funding reduction is likely to fall between \$826,767 and \$1,020,385.

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.

This proposal contains an emergency clause.

<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

Registration Fees	<u>(Unknown greater than \$500,000)</u>	<u>(Unknown greater than \$500,000)</u>	<u>(Unknown greater than \$500,000)</u>
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
Local Government	<u>Unknown</u> <u>greater than</u> <u>\$500,000</u>	<u>Unknown</u> <u>greater than</u> <u>\$500,000</u>	<u>Unknown</u> <u>greater than</u> <u>\$500,000</u>

FISCAL IMPACT - Small Business

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

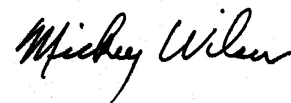
FISCAL DESCRIPTION

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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