

**SB 564 STAFF MEASURE SUMMARY**

**Senate Committee On Finance and Revenue**

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**Prepared By:** Mazen Malik, Senior Economist

**Sub-Referral To:** Joint Committee On Ways and Means

**Meeting Dates:** 3/1

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**WHAT THE MEASURE DOES:**

Establishes prudent maximum amount of outstanding General Fund-supported debt as amount for which debt service due in biennium equals five percent of General Fund revenues estimated to be received in biennium. Prohibits State Treasurer from incurring General Fund-supported debt in excess of prudent maximum amount.

**ISSUES DISCUSSED:**

The report of the State Debt Advisory Commission.

**EFFECT OF AMENDMENT:**

**BACKGROUND:**

The State Debt Advisory Commission chaired by the state treasure recommends keeping debt service payments below 5% of the general fund. The measure makes this recommendation a legal recruitment.