

SB 564 STAFF MEASURE SUMMARY

Senate Committee On Finance and Revenue

Action Date: 04/03/17

Action: Do pass and refer to Ways and Means by prior reference.

Vote: 5-0-0-0

Yeas: 5 - Baertschiger Jr, Boquist, Hass, Riley, Taylor

Fiscal: No fiscal impact

Revenue: No revenue impact

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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.
- The rationale behind the 5% suggested limit.
- General Fund limit verses lottery funds and other revenue bonds.

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

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