

Department of Planning and Budget 2023 Fiscal Impact Statement

1. Bill Number: SB1094

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Norment

3. Committee: Finance and Appropriations

4. Title: Treasury Board; powers and duties.

5. Summary: Provides that the Treasury Board shall have the power and duty to approve the terms and structure of bonds, public-private partnerships, or other financing arrangements executed by private foundations for housing or other capital projects with respect to which a qualifying educational institution, defined in the bill, is obligated to provide financial or other types of support.

6. Budget Amendment Necessary: See Item 8.

7. Fiscal Impact Estimates: Indeterminate; see Item 8.

8. Fiscal Implications: The impact of this bill is indeterminate, as it is unknown how many new transactions will need to be reviewed by Treasury Board as a result of the proposed legislation.

Treasury is authorized to charge entities that utilize alternative financing structures requiring Treasury Board approval up to 10 basis points of the amount financed in addition to a share of direct costs of issuance, with such amounts to be paid into the general fund pursuant to § 3-1.01, paragraph H. 3. of the Appropriation Act. Due to the unknown number and value of newly impacted transactions, any impact to general fund revenue from such charges is indeterminate. Treasury assesses charges to the entity that is executing the transaction. Because the transactions impacted by the bill are executed by private foundations, the private foundation would be responsible for any charges.

If the number of additional transactions in need of review is large enough, it is possible that additional staffing at the Department of the Treasury may be needed. However, if this were to be the case, general fund revenue generated from the charges discussed above would be expected to offset any additional expenses Treasury would incur. In such case, general fund appropriation to support any additional staff necessary would need to be provided to Treasury. As written, the bill is expected to apply to all public institutions of higher education, including those with tier 3 status. However, if institutions with tier 3 status were to

be excluded from these requirements, Treasury believes it is unlikely that additional staff would be needed.

9. Specific Agency or Political Subdivisions Affected: Treasury Board, Department of the Treasury, institutions of higher education.

10. Technical Amendment Necessary: No

11. Other Comments: This bill is identical to the introduced version of HB 1912.

1/30/2023