

## Department of Planning and Budget 2012 Fiscal Impact Statement

**1. Bill Number:** HB324

<b>House of Origin</b>	<input checked="" type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
<b>Second House</b>	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

**2. Patron:** Massie

**3. Committee:** Appropriations

**4. Title:** Tax-supported debt of the Commonwealth.

**5. Summary:** Establishes the method of calculating the total principal amount of tax-supported debt issued by any state agency, institution, board, or authority when the authority to issue the debt restricts the maximum principal amount of debt that may be issued. A two percent de minimus exception is allowed.

**6. Budget Amendment Necessary:** No.

**7. Fiscal Impact Estimates:** Preliminary. See item 8, below.

**8. Fiscal Implications:** The bill restricts the ability of the issuer to issue a high premium bond (a bond with a price higher than its face value that carries a higher coupon rate), by requiring such premiums to be included when calculating the issuance amounts for compliance with legislative authorizations. In this way issuers cannot structure premium bonds to override the parameters of the original bond authorization. The bill will not have a fiscal impact to Treasury; however, it may have a fiscal impact to other issuers of tax supported debt since it will remove some flexibility of the issuer to structure their bond issue to achieve maximum bond proceeds.

**9. Specific Agency or Political Subdivisions Affected:** Department of the Treasury, Department of Transportation, Virginia College Building Authority, Virginia Public Building Authority, Virginia Port Authority.

**10. Technical Amendment Necessary:** No.

**11. Other Comments:** None.

**Date:** 1/23/12

**Document:** G:\Budget Development\2012 Legislation\HB324.doc