

SENATE BILL NO. 3

INTRODUCED BY HIMSL

BY REQUEST OF THE DEPARTMENT OF ADMINISTRATION

IN THE SENATE

June 16, 1986

Introduced and referred to
Committee on Taxation.

June 18, 1986

Committee recommend bill do
pass. Report adopted.

Second reading, do pass.

Third reading, passed.
Ayes, 49; Noes, 0.

Transmitted to House.

IN THE HOUSE

June 19, 1986

Introduced and referred to
Committee on Taxation.

Committee recommend bill be
concurrent in. Report adopted.

June 20, 1986

Second reading, concurred in.

Third reading, concurred in.

Returned to Senate.

IN THE SENATE

June 20, 1986

Received from House.

Sent to enrolling.

Reported correctly enrolled.

1 SENATE BILL NO. 3
2 INTRODUCED BY *Amund*
3 BY REQUEST OF THE DEPARTMENT OF ADMINISTRATION
4
5 A BILL FOR AN ACT ENTITLED: "AN ACT REMOVING THE LIMITATION
6 ON THE AMOUNT OF NOTES THAT THE BOARD OF EXAMINERS MAY ISSUE
7 IN ANTICIPATION OF REVENUE; REPEALING SECTION 17-1-202, MCA;
8 AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."
9
10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
11 Section 1. Repealer. Section 17-1-202, MCA, is
12 repealed.
13 Section 2. Effective date. This act is effective on
14 passage and approval.

-End-

In compliance with a written request, there is hereby submitted a Fiscal Note for SB003, as originally introduced.

Description of Proposed Legislation:

To remove the limitation on the amount of notes that the Board of Examiners may issue in anticipation of revenue.

Assumptions:

1. TRAN's issue size determined by IRS regulations
TRAN's issue size in FY87 would be \$70,000,000.
2. Arbitrage spread would be 2.5% calculated as the difference of the reinvestment rate of 7.0% and the note rate of 4.5%.
3. The note proceeds would be invested approximately 11/12 of the time; 1/12 of the time note proceeds would be used to cover general fund deficits.
4. July 1 issue date allowing the TRAN's issue to be outstanding approximately one year.
5. No effect next biennium because pending federal legislation will require arbitrage rebate to federal government.

Fiscal Impact:

General Fund Revenue:

	<u>FY87</u>	
Current Law	\$1,145,833	(Limits issue to \$50 million)
Proposed Law	<u>\$1,604,167</u>	(Remove limit - estimated issue of \$70 million in FY87.)
Estimated Increase	\$ 458,334	

David L. Hunter 6/17/86
BUDGET DIRECTOR DATE

Office of Budget and Program Planning

Sen. Matt Chisum 6/18/86
PRIMARY SPONSOR DATE

Fiscal Note for SB003, as originally introduced

SENATE BILL NO. 3

INTRODUCED BY Normal

BY REQUEST OF THE DEPARTMENT OF ADMINISTRATION

A BILL FOR AN ACT ENTITLED: "AN ACT REMOVING THE LIMITATION ON THE AMOUNT OF NOTES THAT THE BOARD OF EXAMINERS MAY ISSUE IN ANTICIPATION OF REVENUE; REPEALING SECTION 17-1-202, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Repealer. Section 17-1-202, MCA, is repealed.

Section 2. Effective date. This act is effective on passage and approval.

-End-



SB 3

1 SENATE BILL NO. 3
2 INTRODUCED BY *Thermal*
3 BY REQUEST OF THE DEPARTMENT OF ADMINISTRATION
4
5 A BILL FOR AN ACT ENTITLED: "AN ACT REMOVING THE LIMITATION
6 ON THE AMOUNT OF NOTES THAT THE BOARD OF EXAMINERS MAY ISSUE
7 IN ANTICIPATION OF REVENUE; REPEALING SECTION 17-1-202, MCA;
8 AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."
9
10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
11 Section 1. Repealer. Section 17-1-202, MCA, is
12 repealed.
13 Section 2. Effective date. This act is effective on
14 passage and approval.

-End-

1 SENATE BILL NO. 3
2 INTRODUCED BY HIMSL
3 BY REQUEST OF THE DEPARTMENT OF ADMINISTRATION
4
5 A BILL FOR AN ACT ENTITLED: "AN ACT REMOVING THE LIMITATION
6 ON THE AMOUNT OF NOTES THAT THE BOARD OF EXAMINERS MAY ISSUE
7 IN ANTICIPATION OF REVENUE; REPEALING SECTION 17-1-202, MCA;
8 AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."
9
10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
11 Section 1. Repealer. Section 17-1-202, MCA, is
12 repealed.
13 Section 2. Effective date. This act is effective on
14 passage and approval.

-End-