



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #176

Bond Security and Redemption Fund Interest Earnings (Building Commission)

CURRENT LAW

Interest earnings on moneys deposited to the bond security and redemption fund are applied to debt service payments, which results in a lapse to the general fund from the various GPR sum sufficient debt service appropriations equal to the amount of the interest earned.

GOVERNOR

No provision.

MODIFICATION

Estimate a general fund lapse of -\$300,000 in each year of the 2019-21 biennium to reflect GPR savings from the use of interest earnings on funds deposited to the bond security and redemption fund.

Explanation: Payments on the state's outstanding debt (principal and interest) are made from the bond security and redemption fund (BSRF). Any interest earned on moneys deposited to this fund reduces the amount transferred from the general fund to the BSRF to make debt service payments equal to the amount of the interest earned. The annual -\$300,000 lapse would reflect interest earnings that are estimated to accrue in the bond security and redemption fund in both years of the 2019-21 biennium.

	Change to	
	Base	Bill
GPR-Lapse	-\$600,000	-\$600,000

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