

**SB 5138-S.E - DIGEST**

(AS OF SENATE 2ND READING 2/12/14)

Requires the state finance committee to advise and make recommendations to the governor and the legislature on the levels and types of state debt to be authorized to fund essential capital and transportation projects while protecting the state's credit rating, maintaining financial market access, and also preserving future budgetary flexibility.

Requires budget documents to include debt service required to be paid from any fund for bonds, including payment requirements on projects financed by other methods for the full term of the financing.

Requires the state treasurer to: (1) Publish a debt affordability study that provides an assessment of the state's current debt portfolio and an analysis of the impact of future debt issuance; and

(2) Convene and staff a work group to assist with the study.

Requires the governor, to the extent any budget document or documents set forth a proposal to issue debt not previously authorized, to prepare a bond authorization bill that reflects the amount and type of debt proposed to be issued.

Prohibits budget documents from setting forth a proposal that relies on an amount of state debt that exceeds the bond authorization bill.