

SB 386-FN-A – AS INTRODUCED

2012 SESSION

12-2973

06/10

SENATE BILL **386-FN-A**

AN ACT authorizing the state treasurer to issue bonds for highway construction.

SPONSORS: Sen. Rausch, Dist 19; Sen. Stiles, Dist 24; Sen. Carson, Dist 14; Sen. D'Allesandro,
Dist 20; Rep. Packard, Rock 3; Rep. Graham, Hills 18; Rep. Elliott, Rock 4

COMMITTEE: Ways and Means

ANALYSIS

This bill authorizes the state treasurer to issue bonds for highway construction.

Explanation: Matter added to current law appears in ***bold italics***.
Matter removed from current law appears [~~in brackets and struckthrough.~~]
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twelve

AN ACT authorizing the state treasurer to issue bonds for highway construction.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 1 Bonds Authorized. To provide funds for highway construction, the state treasurer is hereby
2 authorized to borrow upon the credit of the state not exceeding the sum of \$275,000,000 and for said
3 purpose may issue bonds and notes in the name of and on behalf of the state of New Hampshire in
4 accordance with RSA 6-A. The interest and principal due on bonds or notes issued under this section
5 shall be a charge on a source to be determined by the legislature.

6 2 Effective Date. This act shall take effect July 1, 2012.

LBAO
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SB 386-FN-A - FISCAL NOTE

AN ACT authorizing the state treasurer to issue bonds for highway construction.

FISCAL IMPACT:

The State Treasury states this bill will increase state expenditures by \$13,750,000 in FY 2013, \$32,083,333 in FY 2014, \$31,166,667 in FY 2015, \$30,250,000 in FY 2016. There is no fiscal impact on county and local expenditures, or state, county and local revenues. This bill increases bonded indebtedness by \$275,000,000.

METHODOLOGY:

The State Treasury has indicated that the amount of total outstanding direct general obligation bonded indebtedness on behalf of and incurred by the state as of June 30, 2011 is \$939 million (not including bond anticipation notes outstanding). The amount of net general obligation bonded indebtedness (general improvement plus University System of New Hampshire bonds), as of June 30, 2011 is \$653.4 million. The estimated amount of net general obligation bonds authorized, but unissued, as of October 31, 2011 is \$240 million.

The Treasury Department has assumed that one-half the proposed bond authorization will be issued in FY 2012 and one-half in FY 2013. Current interest bond rates are fixed at 5% and amortized over 20 years (60% of the principal paid in the first ten years, 40% paid in the second 10 years). An estimated debt retirement schedule for all outstanding direct general obligation bonded indebtedness, including the proposed authorization contained in this bill through FY 2015, is displayed below (in thousands):

Fiscal Year	Existing Debt Obligation	Additional Debt Obligation	Total Debt Obligation
2013	\$82,534	\$13,750	\$96,284
2014	\$76,319	\$32,083	\$108,402
2015	\$72,366	\$31,167	\$103,533
2016	\$70,646	\$30,250	\$100,896

SB 386-FN-A – AS INTRODUCED

- Page 3 -

The bill authorizes \$275,000,000 of general obligation bonds for highway construction, and states the interest and principal due on bonds or notes issued under this section shall be a charge on a source to be determined by the Legislature.