

SESSION OF 2008

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2891

As Recommended by House Committee on
Appropriations

Brief*

HB 2891 would cap the total amount of outstanding debt for state bonds pledged to be paid from the State General Fund to not more than 20.0 percent of the estimated State General Fund revenues for the same fiscal year. The bill would require the calculation to be based on dividing the total estimated debt for the next fiscal year by the total estimate revenues for that same fiscal year, with the debt ratio cap to be estimated on or before December 4 of each year and published in the next *Governor's Budget Report*. The bill would be effective upon publication in the *Kansas Register*.

Background

Proponents appearing before the House Committee included Representative Kevin Yoder, and representatives of the American Legislative Exchange Council Task Force on Tax and Fiscal Policy, Americans for Prosperity–Kansas, and the Kansas Taxpayers Network, Inc.

The fiscal note was prepared by the Kansas Development Finance Authority and submitted by the Division of the Budget. It estimates an outstanding principal balance for bonds backed by the State General Fund to be \$945.3 million at the end of FY 2009. According to the consensus revenue estimates adopted November 5, 2007, for FY 2009, the State General Fund will collect revenues of \$6.170 billion. The ratio of outstanding principal bond balance to the estimate revenues would be 15.3 percent or 4.7 percent less than the maximum allowed by HB 2891.

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at