

**TESTIMONY PRESENTED TO THE FINANCE, REVENUE, AND BONDING
COMMITTEE
APRIL 21, 2015**

*Benjamin Barnes
Secretary
Office of Policy and Management*

Testimony Regarding Senate Bill No. 1133

**AN ACT CONCERNING THE TREATMENT OF BOND PREMIUMS UNDER THE STATE
GENERAL OBLIGATION BOND PROCEDURE ACT.**

Senator Fonfara, Representative Berger and distinguished members of the Finance, Revenue, and Bonding Committee, thank you for the opportunity to offer testimony on Senate Bill No. 1133, An Act Concerning The Treatment of Bond Premiums Under the State General Obligation Bond Procedure Act.

This bill would:

- Remove premium income from the general fund;
- Apply such premium income to reduce the par amount of a current bond issuance or to projects for which bonds have yet to be issued; and,
- For purposes of calculating the debt limit, such premium income will serve to reduce the authorized but unissued totals from the debt limit calculation.

Over the course of the biennium, this bill as currently drafted would increase debt service appropriations by hundreds of millions of dollars compared to the Governor's proposed budget.

I would like to thank the committee for the opportunity to present this testimony. Please feel free to contact my office with any questions you may have.