

**Senate Bill No. 2009**

CHAPTER 1146

An act to amend Section 12330 of the Government Code, relating to state finances.

[Approved by Governor September 30, 1996. Filed with Secretary of State September 30, 1996.]

LEGISLATIVE COUNSEL'S DIGEST

SB 2009, Killea. Treasurer: duties.

Existing law sets forth the duties of the Treasurer, and requires, among other things, that at the request of either house of the Legislature, or of any committee thereof, the Treasurer shall give written information as to the condition of the treasury, or upon any subject relating to the duties of the Treasurer's office.

This bill would require the Treasurer annually to prepare a debt affordability report, to be presented to the Governor and the Legislature. The bill would state that the report is intended to be a framework for the Legislature to evaluate and establish priorities for bills that propose the authorization of additional state debt supported by the General Fund during the budget year.

*The people of the State of California do enact as follows:*

SECTION 1. (a) The Legislature hereby finds and declares the following:

(1) For many years, state bonds have been readily marketable at favorable interest rates.

(2) To continue to finance essential capital projects for the benefit of its residents, at favorable interest rates, the state must continue to maintain its excellent credit standing with bond investors.

(3) Authorizations of state debt must take into account the ability of the state to meet its total debt service requirements in light of other calls on its fiscal resources.

(b) The purpose of this act is to provide for a state debt management program through which the following occur:

(1) A state debt affordability analysis shall be made annually.

(2) Proposed capital projects that require new state debt may be evaluated on the basis of the analysis to assist the Governor and the Legislature in setting priorities among capital projects and appropriations.

SEC. 2. Section 12330 of the Government Code is amended to read:



12330. (a) At the request of either house of the Legislature, or of any committee thereof, the Treasurer shall give written information as to the condition of the State Treasury, or upon any subject relating to the duties of his or her office.

(b) The Treasurer annually shall prepare a debt affordability report, to be presented to the Governor and the Legislature by October 1 of each year.

(1) The report is intended to be a framework for the Legislature to evaluate and establish priorities for bills that propose the authorization of additional state debt supported by the General Fund, excluding self-liquidating general obligation debt, during the budget year. The report may also be used to determine the amount to appropriate for debt service for the budget year.

(2) The report shall include the following information:

(A) A listing of authorized but unissued debt that the Treasurer intends to sell during the current year and the budget year and the projected increase in debt service as a result of those sales.

(B) A description of the market for state bonds.

(C) An analysis of the ratings of state bonds.

(D) A listing of outstanding debt supported by the General Fund.

(E) A listing of authorized but unissued debt that would be supported by the General Fund.

(F) A schedule of debt service requirements for the items included in subparagraph (D).

(G) Identification of pertinent debt ratios, such as debt service to General Fund revenues, debt to personal income, debt to estimated full-value of property, and debt per capita.

(H) A comparison of the debt ratios prepared for subparagraph (G) with the comparable debt ratios for the 10 most populous states.

