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FISCAL IMPACT REPORT

SPONSOR: Herrera DATE TYPED: 02/17/03 HB 448

SHORT TITLE: Grant County Emergency Loan Repayment SB _____

ANALYST: Padilla

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY03	FY04	FY03	FY04		
	\$164.9			Non-recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates Senate Bill 469

SOURCES OF INFORMATION

LFC Files

Response Received From
Department of Finance and Administration

SUMMARY

Synopsis of Bill

House Bill 448 appropriates \$164.9 from the general fund to the State Board of Finance for the purpose of repaying an emergency loan that the State Board of Finance made to Grant County in FY02.

Significant Issues

In FY02, the State Board of Finance made an emergency loan of \$189.9 to Grant County. During the previous fiscal year, according to DFA, the county had nearly exhausted its general fund cash balance. On June 30, 2001, its general fund balance was \$18.3. The emergency loan was made in order to allow the county to meet its immediate financial obligations. The county took other steps to address its weak financial situation, including refinancing its long-term debt and implementing a 32-hour workweek for many county departments. It also generated additional revenue by renegotiating contracts and selling surplus property.

The county has made one \$25.0 repayment; it is scheduled to make another \$25.0 payment in the current fiscal year. DFA reports that the county is scheduled to pay the remaining balance of \$139.0 in FY04.

FISCAL IMPLICATIONS

The appropriation of \$164.9 contained in this bill is a non-recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 04 shall revert to the general fund.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

House Bill 448 is a duplicate of Senate Bill 469.

POSSIBLE QUESTIONS

1. Is Grant County able to make the \$25.0 payment currently scheduled for FY03?
2. Has the county's overall financial situation improved?
3. What is Grant County's current general fund balance?

LP/njw