



ARIZONA STATE SENATE
Fifty-Fifth Legislature, First Regular Session

AMENDED
FACT SHEET FOR S.B. 1455

lending; credit support programs; report

Purpose

Requires the Arizona Department of Administration (ADOA) to include outlined information relating to lending programs and credit support programs in the annual ADOA report relating to the issuance of bonds.

Background

By June 30 of each year ADOA must ascertain and record all issues of bonds, certificates of participation or other securities issued for a term longer than one year by a state, county, or other political subdivision. The record must contain outlined information, including dates of the bonds, certificates of participation and any other information required by ADOA. The report relating to the issuance of bonds and securities must be filed within 60 days of the issuance and include outlined information. ADOA must provide the report to the Governor, the President of the Senate and the Speaker of the House of Representatives by December 15 of each year. The report must include an analysis of any outstanding indebtedness and the relationship of the indebtedness to the appropriate constitutional debt limitations ([A.R.S. § 35-501](#)).

There is no anticipated fiscal impact to the state General Fund associated with this legislation.

Provisions

1. Requires ADOA to include the following information in the annual ADOA report related to the issuance of bonds:
 - a) a list of each lending program and credit support program and the authority for each program;
 - b) the total amount of all monies offered pursuant to lending programs, specified by program;
 - c) the total amount of all debts guaranteed or to which credit enhancements are given pursuant to credit support programs, specified by program; and
 - d) an estimate of the cost of likely defaults on lending programs and credit support programs, specified by program.
2. Requires ADOA to use equivalent private market debt to evaluate the likelihood and cost of defaults, if practicable.
3. Defines *credit support program* as any program operated by the state or a public body that is entirely controlled or funded by the state, that guarantees or provides a credit enhancement.

4. Defines *lending program* as any program operated by the state or a public body that is entirely controlled or funded by the state and offers monies to a private party or a political subdivision with the expectation that the borrowing party will repay the monies.
5. Requires ADOA to include the outlined information relating to lending programs and credit support programs in the annual report provided to the Governor, the President of the Senate and the Speaker of the House of Representatives.
6. Designates this legislation as the *Arizona State Lending Transparency Act*.
7. Make technical and conforming changes.
8. Becomes effective on the general effective date.

Amendments Adopted by Committee

1. Requires the outlined information to be included in the existing ADOA report relating to the issuance of bonds, rather than in a separate ADOA report.
2. Requires the outlined information to be delineated by each credit support program or lending program.
3. Makes technical changes.

Senate Action

FIN 2/10/21 DPA 8-0-2

Prepared by Senate Research

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MG/FDR/gs