

**FISCAL NOTE**  
**SB 3912 - HB 4015**

March 21, 2006

**SUMMARY OF BILL:** Authorizes the state to sell general obligation bonds and bond anticipation notes in an amount not to exceed \$457,500,000 for the following purposes:

1. \$248,900,000 for capital outlay bonds
2. \$43,800,000 – Department of Finance and Administration for the State Office Buildings and Support Facilities Revolving Fund.
3. \$81,300,000 - Department of Finance and Administration for the Enterprise Resource Planning (ERP) project.
4. \$83,500,000 – Department of Transportation (TDOT) for the construction of highways and other capital projects for TDOT.

**ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures - \$54,400,000 – 1<sup>st</sup> Year Debt Service  
(Reflected in the Governor's 2006-07 Recommended Budget)**

**\$764,368,125 Over life of the bonds**

**\$468,937,500 Principal**

**\$295,430,625 Interest**

Assumptions:

- All projects authorized by this act shall be approved by the State Building Commission.
- Bonds may be designated as college savings bonds pursuant to the Baccalaureate Education Savings for Tennessee Act.
- Cost of issuance authorized up to 2.5% of face value.
- Principal (\$457,500,000) plus cost of issuance (\$11,437,500) is \$468,937,500.
- Bonds will be issued for a period of 20 years at an interest rate of 6% and 1/20<sup>th</sup> of the principal plus interest will be paid annually.

**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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