

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7536

BILL NUMBER: HB 1732

NOTE PREPARED: Jan 7, 2007

BILL AMENDED:

SUBJECT: Common School Fund.

FIRST AUTHOR: Rep. GiaQuinta

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill allows for the transfer of Congressional Township School funds held by various counties to the Treasurer of State.

Effective Date: July 1, 2007.

Explanation of State Expenditures: The bill could increase the administrative expense of the state Treasurer's office and reduce the administrative workload for county treasurers. The bill would allow county councils to elect to surrender custody of the Congressional Township School Fund to the state Treasurer. The council may elect to surrender all or any part of the fund. The state Treasurer would be responsible to distribute the earning from the funds to local schools like the county treasurers do currently.

The funds and resources required above could be supplied through a variety of sources, including the following: (1) existing staff and resources not currently being used to capacity; (2) existing staff and resources currently being used in another program; (3) authorized, but vacant, staff positions, including those positions that would need to be reclassified; (4) funds that, otherwise, would be reverted; or (5) new appropriations. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend upon legislative and administrative actions. The state Treasurer's office on June 30 ,2006 reverted \$130,814 to the state General Fund.

Background: for FY 2006, 245 school received \$114,671 of Congressional Township Fund interest. About 16 counties do not have Congressional Township Funds.

Explanation of State Revenues:

Explanation of Local Expenditures: *See Explanation of State of Expenditures.*

Explanation of Local Revenues:

State Agencies Affected: State Treasurer; State Auditor.

Local Agencies Affected: County Treasurers.

Information Sources:

Fiscal Analyst: Chuck Mayfield, 317-232-4825.