

Subject State debt limits

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Summary

This bill requires debt capacity forecasts prepared after July 1, 2025, to include a debt limit determination specified in the bill. “Debt” is defined as state debt payable from nondedicated state general fund revenues.

The commissioner of management and budget would be required to include in each forecast a determination of the maximum amount of new debt that can be issued so that payment on all outstanding debt is no more than three percent of the estimated nondedicated general fund revenue in the same time period. The commissioner must also determine the maximum amount of new debt that can be issued so that payment on all outstanding state and agency appropriation debt could be no more than 0.6 percent of the estimated nondedicated general fund revenue in the same time period.

The debt limits in the bill may only be used to delay issuance of debt authorized in a law enacted after the forecast, and does not delay issuance of debt authorized or the cancellation of appropriations made before the forecast.

Effective July 1, 2025.