

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 27, 2009

TO: Honorable Steve Ogden, Chair, Senate Committee on Finance

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: SB2064 by West (Relating to the issuance of state and local government securities, including the powers and duties of the Bond Review Board and the issuance of private activity bonds.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would allow the Bond Review Board (BRB) to enter into a contract for services related to the collection and maintenance of information on the indebtedness of local governments related to a statistical report. The bill would change the submission date of the statistical report to no later than December 31 of each even-numbered year.

The bill would change the submission date for the Debt Affordability Study to February 15 of each year.

The bill would require an issuer to pay a non-refundable fee of \$500 before receiving a certain carryforward designation. According to the Bond Review Board, approximately 15 carryforward applications that would be applicable to this fee are received each fiscal year. Based on this volume, the new fee would generate approximately \$7,500 in fees each fiscal year of 2010-11 biennium to the credit of the General Revenue Fund.

The bill would authorize the Bond Review Board to administer the allocation of miscellaneous bond ceiling authorized by the federal government by the Housing and Economic Recovery Act of 2008, Heartland Disaster Tax Relief Act of 2008, or by the American Recovery and Reinvestment Act of 2009.

The bill would repeal government code 1372.0235 relating to ceiling set-aside for the Texas Agriculture Finance Authority.

The bill would take effect immediately if it receives a vote of two-thirds of all the members elected to each house, otherwise, the bill would take effect September 1, 2009.

It is assumed that any additional duties and responsibilities required by the bill could be absorbed within existing resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 352 Bond Review Board, 332 Department of Housing and Community Affairs

LBB Staff: JOB, MN, EP