

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 12, 2003

TO: Honorable Frank Madla, Chair, Senate Committee on Intergovernmental Relations

FROM: John Keel, Director, Legislative Budget Board

IN RE: SB709 by Jackson (Relating to the ability of certain counties to use lease-purchase agreements.), **As Introduced**

No fiscal implication to the State is anticipated.

The bill would authorize counties with a population of more than 250,000 to sell land, buildings, facilities, or equipment for the purpose of making contracts for the lease or rental of land, buildings, facilities, or equipment or for receiving services from others for county purposes. The bill would take effect immediately if it receives a two-thirds vote in each house; otherwise, it would take effect September 1, 2003.

Under current statute, only counties with a population of more than 500,000 are authorized to use this form of financing mechanism. Provisions of the bill would authorize these additional counties to use this financing mechanism: Cameron, Collin, Denton, Fort Bend, Galveston, Jefferson, Montgomery, and Nueces.

It is assumed a county commissioners court would only take the actions authorized if doing so would be beneficial to the county and if this was the most cost-effective method for providing that benefit. According to the county auditor in Denton, there would be a savings, but it would not likely be significant.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies:

LBB Staff: JK, DLBa