

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

May 4, 2003

TO: Honorable Teel Bivins, Chair, Senate Committee on Finance

FROM: John Keel, Director, Legislative Budget Board

IN RE: SB1592 by West (Relating to the allocation of the state ceiling among issuers of qualified residential rental project bonds.), **As Introduced**

No fiscal implication to the State is anticipated.

The bill amends Subsection (a), Section 1372.0321, Government Code by changing the date that allows residential rental projects located in areas of the state where the Area Median Family Income (AMFI) is below that of the state average, to compete on a priority one basis with other projects in-line for an allocation of private activity bonds. June 1 is the current date when these projects receive the benefit of a priority boost from a competition standpoint; the bill changes the date to March 31.

Local Government Impact

The fiscal impact to local government would occur in areas of the state where these projects are built. The impact would depend on a variety of factors, including the corporate structure of the development, the dollar amount of bonds issued, and the current availability of housing at levels already deemed “affordable” without the use of tax credits and private activity bonds.

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

LBB Staff: JK, SD, KG, ZS