

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: SB1867 by Bivins (Relating to revenue available to the state as a result of the tobacco settlement.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would direct the Comptroller's Office, in consultation with the Legislative Budget Board, to determine the best way to maximize, for use in 2004-05, the revenue available to the state from the tobacco settlement agreement. The Comptroller could: 1) direct the Texas Public Finance Authority to issue revenue bonds, which could be repaid from the state's tobacco settlement agreement receipts, or 2) direct the Attorney General to assign all or a part of the state's future rights to tobacco settlement agreement receipts to another party in exchange for the fair market value of that right. Money obtained from such bonds could be used for any state government purpose.

The bill would also grant the Comptroller the authority to commit future receipts, in consultation with the Legislative Budget Board and the Attorney General. However, the bill does not direct the Comptroller to take specific actions, nor does it specify the amounts to be bonded and the use of the bond proceeds. As result no significant fiscal impact is anticipated.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 302 Office of the Attorney General, 304 Comptroller of Public Accounts, 347 Public Finance Authority

LBB Staff: JK, JO, SD, WP, DLBe