

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

May 13, 2003

TO: Honorable David Dewhurst, Lieutenant Governor, Senate

FROM: John Keel, Director, Legislative Budget Board

IN RE: SJR55 by Shapleigh (Proposing a constitutional amendment authorizing the issuance of general obligation bonds to provide loans to defense-related communities for economic development projects, including projects that enhance military value of military installations.), **As Passed 2nd House**

No fiscal implication to the State is anticipated, other than the cost of publication.

The cost to the state for publication of the resolution is \$475,584.

The proposed Constitutional amendment would authorize one or more state agencies to issue general obligation bonds in an aggregate amount not to exceed \$250 million and enter into related credit agreements. Proceeds of the sale of bonds shall be deposited into the Texas military value revolving loan account in the state treasury or its successor account to be used by one or more state agencies designated by the legislature by general law without further appropriation to provide loans for economic development projects. The purpose of the economic development projects is to benefit defense-related communities, as defined by the legislature by general law, including projects that enhance the military value of military installations located in the state.

Bonds authorized by this proposal are a general obligation of the state. While any of the bonds or interest on the bonds is outstanding and unpaid, there is appropriated out of the first money coming into the treasury in each fiscal year, not otherwise appropriated by this constitution, the amount sufficient to pay the principal of and interest on the bonds that mature or become during the fiscal year, less any amounts in the interest and sinking accounts at the close of the preceding fiscal year that are pledged to payment of the bonds or interest.

The constitutional amendment is to be submitted to the voters at an election held September 13, 2003. According to the Secretary of State, presenting one constitutional amendment on a ballot results in higher costs because economies of scales are lost. The estimated cost of \$475,584 would include \$314,062 for postage, \$50,872 for printing, \$110,500 for newspaper advertising, and \$150 for translation costs. According to the Secretary of State, these costs are similar to those experienced in November 2002 when one constitutional amendment was presented to voters.

The resolution would have no fiscal impact, except the cost of publication. If enabling legislation were enacted, however, there could be a fiscal impact on the state and units of local government.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies:

LBB Staff: JK, SD, WP, GG