

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION**

**May 10, 2005**

**TO:** Honorable Kenneth Armbrister, Chair, Senate Committee on Natural Resources

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

**IN RE: HB422** by Casteel (Relating to park and recreation districts.), **As Engrossed**

**No fiscal implication to the State is anticipated.**

The bill would amend the Local Government Code as it relates to park and recreation districts to change the amount of a contract the district's board may enter that does not require a bid from a maximum of \$15,000 to a maximum amount that is equal to or less than the amount in Section 262.023, Local Government Code (currently \$25,000). The bill would also add items for which the district may levy taxes and for which it may expend revenue. The bill would take effect September 1, 2005 and would apply only to contracts entered into on or after that date and would not affect the taxes imposed prior to that date.

Raising the maximum amount of a contract for which a bid is required would save the district some administrative costs on affected contracts, but is not expected to be a significant amount of savings. Adding items for which the district may levy a tax would increase revenue. The amount of revenue increase would be dependant on the district's tax rate levied and the number of affected added items to which the tax would apply, which would vary by district. Adding items for which the district could expend revenues would have no fiscal impact beyond easing any existing financial burdens in obtaining those items.

**Local Government Impact**

The fiscal impact would be positive and would vary by park and recreation district.

**Source Agencies:**

**LBB Staff:** JOB, WK, DLBa