

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

May 17, 2005

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

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

IN RE: HB1232 by Castro (Relating to the payment of certain expenses of a public project financed by certificates of obligation.), **As Engrossed**

No fiscal implication to the State is anticipated.

The bill would stipulate that work that is directly attributable under generally accepted accounting principles to the costs of a project and that is performed by employees of the issuer of certificates of obligation may be allocated or attributed to the capital costs of the project.

Provisions of the bill stipulate how the proceeds from certificates of obligation for a project may be used, including paying for work performed by employees of the issuer that are hired for the specific purpose of working on the project.

The bill would take effect immediately if it were to receive the required two-thirds vote in each house; otherwise, it would take effect September 1, 2005.

Current statute specifically prohibits the use of proceeds from certificates of obligation to be paid to employees of the issuer.

Local Government Impact

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

Source Agencies:

LBB Staff: JOB, DLBa