

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

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

**March 24, 2005**

**TO:** Honorable Ray Allen, Chair, House Committee on County Affairs

**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 Introduced**

<b>No fiscal implication to the State is anticipated.</b>
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The bill would authorize the governing body of an issuer of certificates of obligation to allocate or attribute proceeds from the certificates to the capital costs of the project for work done by employees of the issuer and paid for as work progresses. The bill would take effect immediately if it receives 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 or to be paid as work progresses.

**Local Government Impact**

The proposed change would provide flexibility to local governments in the use of proceeds from certificates of obligation.

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

**Source Agencies:**

**LBB Staff:** JOB, DLBa