

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

April 9, 2005

TO: Honorable Frank Corte, Jr., Chair, House Committee on Defense Affairs & State-Federal Relations

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

IN RE: HB2931 by Delisi (Relating to the authority of a municipality that includes or is near a defense base to issue bonds for facilities to be leased to the federal government.), **As Introduced**

No fiscal implication to the State is anticipated.

The bill would authorize certain municipalities to acquire land and construct or acquire a building or other facility for the purpose of leasing the land, building, or facility to the federal government to enhance the military value of a military facility located in or near the defense community. The bill would authorize a municipality that has a population of at least 50,000 that leases to the federal government under the proposed statute to provide for the payment of the principal or interest on the bonds issued to finance the action taken by pledging all or any part of other municipal revenue allowable.

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.

Local Government Impact

It is anticipated that a municipality that is eligible to implement the provisions of the bill would, over time, recoup its costs for purchasing land, buildings, or facilities if it leases those to the federal government. For an eligible municipality that has a population of 50,000 or less, it is assumed that costs would be recouped through a combination of the use of allowable revenue and what is received from the federal government for the lease.

Source Agencies:

LBB Staff: JOB, KJG, DLBa