

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 4, 2007

TO: Honorable Florence Shapiro, Chair, Senate Committee on Education

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

IN RE: HB890 by Hilderbran (Relating to the creation of an irrevocable trust for the proceeds of the sale or disposition of county school lands.), **As Engrossed**

No fiscal implication to the State is anticipated.

Local Government Impact

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

This bill would add a provision to Chapter 45, Education Code to grant a county commissioners' court the authority to sell or otherwise dispose of county school lands, establish an irrevocable trust for the proceeds of the sale, and invest the principal of the trust. The principal of the trust would constitute a portion of the county permanent school fund and would be held in perpetuity for the benefit of the public schools in the county. Income from the trust would constitute a portion of the county available school fund and would be distributed in a manner permitted by law.

Former section 17.82(a) Education Code as continued in effect by current section 11.301, Education Code makes similar provision for the sale and disposition of county school lands as prescribed by the county commissioners' court. The language proposed in the bill does not provide a limited list of authorized investments for the proceeds of the sale that are held in trust as does former section 17.82 (b), Education Code continued in effect under section 11.301, Education Code. As a result, the bill would appear to expand the authorized types of investments for the principal that is held in trust.

Source Agencies: 701 Central Education Agency

LBB Staff: JOB, UP, JSp