

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 16, 2007

TO: Honorable Troy Fraser, Chair, Senate Committee on Business & Commerce

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

IN RE: HB1749 by Morrison (Relating to the authority of political subdivisions to negotiate contracts for electricity.), **As Engrossed**

No fiscal implication to the State is anticipated.

The bill would amend the Local Government Code to authorize political subdivisions and political subdivision corporations to negotiate a contract for electricity for a term not to exceed 30 years. A political subdivision that enters into a contract for electricity would not be required to submit the contract to a state public official for review and approval, but may submit the contract for review and approval if authorized by law.

Local Government Impact

Fiscal impact would vary by political subdivision and would depend on the terms the political subdivisions would agree upon in the contract. It is anticipated that a contract would be negotiated and entered into only if the entities were to determine the contract was of benefit and was budgeted.

Source Agencies:

LBB Staff: JOB, JRO, DB