

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

March 30, 2007

TO: Honorable Burt R. Solomons, Chair, House Committee on Financial Institutions

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

IN RE: HB3270 by Eiland (Relating to authorizing the issuance of anticipation notes or other obligations by issuers located along the Gulf Coast in the event of an emergency.), **As Introduced**

No fiscal implication to the State is anticipated.

The bill would authorize the issuance of anticipation notes or other obligation by issuers located along the Gulf Coast in the event of an emergency. The bill would amend the Government Code to provide that an issuer may use the proceeds of an anticipation note or other obligation to pay salaries, lease of materials, demolition of dangerous structures, and other purposes to protect public health and safety.

Following authorization of an anticipation note the issuer would be required to submit to the attorney general a transcript of proceedings related to issuance of the anticipation note. If an emergency were to occur affecting the issuer, the attorney general would be required to expeditiously review and approve delivery of the anticipation note.

The bill would take effect if it were to receive the required two-thirds vote in each house; otherwise it would take effect September 1, 2007.

The Office of the Attorney General (OAG) states that because the bill does not create any new authorized issuers under chapter 1431 and section 1431.015, but instead only authorizes indebtedness if an emergency occurs, the bill would not have a fiscal impact as it would not materially increase the agency's workload.

Local Government Impact

The impact to applicable local governments would vary depending on the level of financial obligations issued and the severity of the emergency.

Source Agencies: 302 Office of the Attorney General

LBB Staff: JOB, JRO, DB