

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

March 28, 2007

TO: Honorable Royce West, Chair, Senate Committee on Intergovernmental Relations

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

IN RE: SB1012 by Williams (Relating to the establishment of regional participation agreements between certain municipalities and districts; authorizing the issuance of bonds.), **Committee Report 1st House, Substituted**

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| No fiscal implication to the State is anticipated. |
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The bill would amend the Local Government Code to authorize certain municipalities and certain districts to enter into a regional participation agreement. Other districts, eligible municipalities, or persons would be allowed to join the agreement as a party at any time. The agreement would be for the purpose of furthering regional participation in the funding of eligible programs or projects between the municipality(ies) and the district(s) and other persons.

Under an agreement, a special fund or escrow account could be established, administered, used, and invested to be used solely for funding the costs and expenses of eligible programs or projects. Any party may commit or pledge or may issue bonds payable from or secured by a pledge of any available source of funds, including unencumbered sales and use taxes, to make payments due or to become due under an agreement. Provisions of the bill would establish the parameters of an agreement and its uses.

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

Local Government Impact

It is assumed that eligible municipalities and districts would enter into a regional agreement as a means to better utilize resources; the fiscal impact would vary depending on identified projects pursued under the agreement and funding that is available.

Source Agencies:

LBB Staff: JOB, DB