

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**

**April 5, 2007**

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

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

**IN RE: SB1535** by Fraser (Relating to the issuance of bonds by a municipality for a defined area in an abolished municipal utility district. ), **Committee Report 1st House, Substituted**

<b>No significant fiscal implication to the State is anticipated.</b>
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The bill would add Section 43.0805 to Subchapter D, Chapter 43 of the Local Government Code to authorize a municipality in which a municipal utility district (MUD) is abolished and if the district had issued bonds for a defined area, to issue or sell municipal bonds in an amount not to exceed the amount of the unissued district bonds to carry out the purposes for which the district bonds were voted. The bonds would be subject to approval by the attorney general and to registration by the comptroller.

Provisions of the bill would apply to actions that occurred before, on, or after the effective date of the bill. 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**

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

**Source Agencies:**

**LBB Staff:** JOB, DB