

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 10, 2007

TO: Honorable Jim Keffer, Chair, House Committee on Ways & Means

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

IN RE: SB1889 by Hinojosa (Relating to the use of sales tax revenue to pay or secure certain municipal public securities.), **As Engrossed**

No fiscal implication to the State is anticipated.

The bill would amend Chapter 1331 of the Government Code and Chapter 321 of the Tax Code to allow municipalities to use their sales and use tax revenue to pay or secure certain municipal public securities.

The bill would allow municipalities to use their local sales and use tax to pay for public securities issued by or on behalf of a municipality to finance public works or other projects that are partly located in a tax increment reinvestment zone, enterprise zone, municipal management district, public improvement district, empowerment zone, enterprise community, or renewal community. According to the Comptroller of Public Accounts, the number of municipalities that would use their local sales and use tax for this purpose is unknown; however, because the bill would not affect the amount of revenue that would be collected but only the way the revenue could be used, there would be no fiscal impact on the state or on municipalities.

The bill would take effect immediately upon enactment if it receives two-thirds vote in each house; otherwise, it would take effect September 1, 2007.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, CT, DB, SD, EB