

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 8, 2009

TO: Honorable Jim Keffer, Chair, House Committee on Energy Resources

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

IN RE: HJR123 by Hancock (Proposing a constitutional amendment authorizing the issuance of general obligation bonds to provide and guarantee loans to encourage clean energy projects.),
Committee Report 1st House, Substituted

No fiscal implication to the State is anticipated, other than the cost of publication.

The cost to the state for publication of the resolution is \$90,882.

The resolution would define an "advanced clean energy project," and it would authorize the Legislature, through general law, to authorize Texas Public Finance Authority to issue up to \$300 million in general obligation bonds to make and guarantee loans to business entities for advanced clean energy projects in the state. The proposed constitutional amendment would be submitted to the voters at an election to be held November 3, 2009.

Note: Article III, Section 49-j of the Texas Constitution limits the authorization of additional state debt if the percentage of debt service payable from the General Revenue Fund exceeds 5 percent of the average annual unrestricted General Revenue Fund revenues for the previous three fiscal years. The \$300 million in new general obligation bond authority for advanced clean energy loan projects is assumed to be repaid with General Revenue Funds and to be not self-supporting general obligation debt. Therefore, these bonds would be factored into the state's constitutional debt limit. As of the end of fiscal year 2008, the Bond Review Board estimates the constitutional debt limit for issued and authorized but unissued debt to be 4.09 percent. The Bond Review Board estimates that the passage of the resolution would increase the constitutional debt limit by 0.08 percent for a total debt limit of 4.17 percent.

Local Government Impact

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

Source Agencies: 347 Public Finance Authority, 352 Bond Review Board, 582 Commission on Environmental Quality

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