

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 18, 2009

TO: Honorable Kip Averitt, Chair, Senate Committee on Natural Resources

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

IN RE: HJR128 by Ritter (Proposing a constitutional amendment providing for the issuance of additional general obligation bonds by the Texas Water Development Board.), **As Engrossed**

No significant 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 joint resolution proposes a constitutional amendment which would authorize the Water Development Board (TWDB) to issue additional general obligation bonds for one or more accounts of the Texas Water Development Fund II (DFund II) such that the aggregate principal amount of the bonds issued for the DFund II does not exceed \$6 billion outstanding at any one time.

The proposed constitutional amendment would be submitted to the voters at an election to be held November 3, 2009.

Note: This joint resolution includes bond authority that would comprise a mixture of self-supporting debt and non-self-supporting debt. Any non-self-supporting debt that receives a General Revenue appropriation for debt service would impact the state's constitutional debt limit (CDL).

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. 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.

This joint resolution authorizes \$6.0 billion in bond authority, a portion of which may impact the CDL. Since the authority described in this joint resolution does not specify amounts for the non-self-supporting programs, the Bond Review Board cannot determine at this time what the impact to the CDL in future years would be.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 347 Public Finance Authority, 352 Bond Review Board, 580 Water Development Board, 304 Comptroller of Public Accounts

LBB Staff: JOB, AH, ZS, SD, JJO