

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

**FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION**

**May 27, 2009**

**TO:** Honorable David Dewhurst, Lieutenant Governor, Senate

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

**IN RE: SB978** by West (Relating to the creation and financing of public improvement districts. ), **As Passed 2nd House**

<b>No fiscal implication to the State is anticipated.</b>
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The bill would amend Chapter 372 of the Local Government Code to expand the methods that can be used to fund public improvement projects, to add projects that qualify for funding as a public improvement project, and to provide for additional uses of public improvement district funds. In addition, the bill would make changes to operational procedures of a district such as those relating to posting and filing notices, dissolving a district, revising assessment rolls, and revising assessments. Provisions of the bill specify that a public improvement district is not a separate body politic or corporate from the municipality or county that created it.

The bill would amend the Education Code to stipulate that approval by the Higher Education Coordinating Board would not be required for buildings or other facilities financed by a public improvement district under Chapter 372, Local Government Code.

All governmental acts and proceedings conducted under Chapter 372 prior to the effective date of the bill related to establishing a public improvement district, designating improvements, levying assessments, and financing costs of improvements in response to a petition filed that conform with Section 372.005, Local Government Code, as it existed prior to the effective date of the bill would be validated and confirmed.

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, 2009.

According to the Higher Education Coordinating Board, proposed changes to the Education Code would not have a fiscal impact on the agency.

**Local Government Impact**

A municipality or county that has created or would create a public improvement district would benefit from the additional methods of financing. The positive fiscal impact would vary depending on decisions made by the governing body. Procedural changes are not anticipated to have significant fiscal implications.

**Source Agencies:** 781 Higher Education Coordinating Board

**LBB Staff:** JOB, SD, DB