

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 18, 2009

TO: Honorable Dan Branch, Chair, House Committee on Higher Education

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

IN RE: SB2240 by Zaffirini (Relating to the financing of educational and related facilities by higher education facility authorities or nonprofit corporations performing the functions of those authorities and to the governance of certain higher education facility authorities.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

The bill would amend various sections of the Education Code as it relates to higher education facility authorities for public and private schools. Under provisions of the bill, when bonds to be issued to benefit an institution of higher education and the record relating to their issuance are submitted to the attorney general, a public higher education authority would be required to deliver notice of that action to the governor, the lieutenant governor, the speaker of the house, and the Legislative Budget Board. The notice must include the amount of the bonds to be issued and a description of the facilities to be financed from the bond proceeds. If the attorney general does not find that the bonds have issued in accordance with this chapter and constitute valid and binding obligations of the authority are are secured as recited therein, the attorney general may not approve the bonds, and the bonds may not be registered by the comptroller.

The bill would also amend the definition of "educational facility" and strike language relating to the facilities being used exclusively for the conduct of the educational and administrative functions of the institutions of an institution of higher education.

The bill would be implemented within existing resources.

Local Government Impact

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

Source Agencies: 781 Higher Education Coordinating Board, 302 Office of the Attorney General, 352 Bond Review Board

LBB Staff: JOB, KK, MN, RT, GO, TP