

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

May 23, 2011

TO: Honorable Joe Straus, Speaker of the House, House of Representatives

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

IN RE: HB1732 by Ritter (Relating to the applicability of the constitutional limit on state debt payable from the general revenues of the state to bonds issued by the Texas Water Development Board.), **As Passed 2nd House**

No significant fiscal implication to the State is anticipated.

The bill would exempt water financial assistance bonds that have been authorized but not issued from the Constitutional Debt Limit (CDL) until the legislature makes an appropriation from the General Revenue Fund to pay the debt service on the bonds. The bill would also require the Executive Administrator of the Water Development Board to certify to the Bond Review Board the source of debt service on a proposed issuance of bonds by the Water Development Board. The bill would require the Bond Review Board to determine the portion of debt service that is to be paid from the General Revenue and subsequently what portion of the debt would be included in the CDL calculation. The bill provides a mechanism for the Bond Review Board to remove previous issuances of the Water Development Board from the CDL if the previous issuance meets certain criteria.

The bill would authorize the Water Development Board to give priority to applications for funds for the implementation of water supply projects in the State Water Plan based on factors determined by the Board.

The bill would prohibit the Water Development Board from approving applications if the applicant has failed to satisfactorily complete a request by the Executive Administrator or a regional planning group for information relevant to the project, including a water infrastructure financing survey.

Based on the analysis of the Water Development Board, the Bond Review Board, and the Office of the Attorney General, any anticipated additional work that would result from the passage of the bill could be reasonably absorbed within current resources.

The bill would take effect September 1, 2011.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 352 Bond Review Board, 580 Water Development Board, 302 Office of the Attorney General

LBB Staff: JOB, KK, ZS, AH, SZ