

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

**FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION**

**April 21, 2011**

**TO:** Honorable Garnet Coleman, Chair, House Committee on County Affairs

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

**IN RE: HB2944** by Coleman (relating to a searchable database for the bonds and other debt obligations issued by local governmental entities.), **Committee Report 1st House, Substituted**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB2944, Committee Report 1st House, Substituted: a negative impact of (\$133,000) through the biennium ending August 31, 2013.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

**General Revenue-Related Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2012	(\$79,000)
2013	(\$54,000)
2014	(\$54,000)
2015	(\$54,000)
2016	(\$54,000)

**All Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Savings/(Cost) from General Revenue Fund 1</b>
2012	(\$79,000)
2013	(\$54,000)
2014	(\$54,000)
2015	(\$54,000)
2016	(\$54,000)

**Fiscal Analysis**

The bill would amend Government Code, Chapter 1231 to require the Bond Review Board (BRB) to provide a database searchable by zip code of outstanding bonds by each local governmental entity granted debt authority by the Texas Constitution. The bill would require that the database include: specific debt issued by each local government and the principal, interest, and payments on the debt; total principal, interest, and payments on all debt issued by each local government; and total principal, interest, and payments on all debt issued by local governments in each zip code.

The bill would require the Comptroller to provide a link to the BRB data base on the Comptroller's website.

The bill would require the BRB to establish the searchable database on its website no later than September 1, 2012. The bill would take effect immediately if it receives a vote of two-thirds, otherwise the bill would take effect September 1, 2011.

## **Methodology**

### **ASSUMPTIONS**

The Bond Review Board (BRB) currently collects the total principal, interest, and payments of each issuer at the county level. In order to collect the additional data that would be included in the database as proposed by the bill, it is assumed that the current database would be upgraded, the website would be updated, and BRB would need to contact more than 4,500 local issuers and an additional 1,000 local entities such as non-profit corporations that have been created by local entities and are authorized to issue debt, by phone or fax to collect and verify zip code information. BRB's current database is over 10 years old and has limited functionality and capacity. Therefore, it is assumed the current database could not be reprogrammed to implement the provisions of the bill.

Additionally, it is assumed that the BRB would need 1.0 full-time-equivalent and \$45,000 each fiscal year for salaries and related operating costs which includes an expected increase of \$4,000 in long distance charges in fiscal year 2012, for staff to collect, verify, and data enter the zip code information into the new searchable database.

It is anticipated that any additional costs associated with implementation of the legislation not mentioned above could be absorbed within existing resources.

## **Technology**

It is assumed that there would be one-time costs of \$15,000 for software licenses to upgrade the database and \$15,000 for programming costs to update the website in fiscal year 2012. Additionally, it is assumed that there would be on-going costs of \$5,000 for software maintenance of the database in fiscal year 2013 and each subsequent fiscal year.

## **Local Government Impact**

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

**Source Agencies:** 304 Comptroller of Public Accounts, 352 Bond Review Board

**LBB Staff:** JOB, KKR, MS, EP, JJO, RC