

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

March 30, 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 Internet availability of bonds and other debt obligations issued by local governments.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2944, As Introduced: a negative impact of (\$82,000) 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:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2012	(\$54,000)
2013	(\$28,000)
2014	(\$28,000)
2015	(\$28,000)
2016	(\$28,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund 1
2012	(\$54,000)
2013	(\$28,000)
2014	(\$28,000)
2015	(\$28,000)
2016	(\$28,000)

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 a fiscal year ending August 31. 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 BRB to establish the searchable database on its website no later than September 1, 2012. 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 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 0.5 full-time-equivalents and \$23,000 each fiscal year for salaries and related operating costs which includes an expected increase of \$1,000 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.

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: 352 Bond Review Board

LBB Staff: JOB, KKR, MS, EP