

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

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

**May 28, 2011**

**TO:** Honorable David Dewhurst, Lieutenant Governor, Senate  
Honorable Joe Straus, Speaker of the House, House of Representatives

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

**IN RE: SB1543** by Wentworth (Relating to the authority of an independent school district to invest in corporate bonds.), **Conference Committee Report**

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| <b>No fiscal implication to the State is anticipated.</b> |
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**Local Government Impact**

The bill would authorize school districts meeting the definition of issuer under Section 1371.001, Government Code, to invest in corporate bonds subject to certain limitations. At present, Section 1371.001, Government Code defines issuer to include independent school districts that have 50,000 or more students in average daily attendance. Section 1371.001 Government Code also defines issuer to include political subdivisions that meet a \$100 million threshold for outstanding or proposed long-term debt that has been rated all or in part in one of the four highest rating categories without regard to credit agreement or credit enhancement. Currently 135 school districts would meet the qualifications under the bill. Fiscal implications for affected school districts would vary depending upon local investment decisions.

**Source Agencies:** 701 Central Education Agency

**LBB Staff:** JOB, LXH, JGM, JSp