

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 23, 2013

TO: Honorable Jim Pitts, Chair, House Committee on Appropriations

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB11 by Ritter (relating to the appropriation of money from the economic stabilization fund to finance certain water-related projects.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB11, Committee Report 1st House, Substituted: an impact of \$0 through the biennium ending August 31, 2015.

Appropriations:

Fiscal Year	Appropriation out of <i>Economic Stabilization Fund</i> 599
2014	\$2,000,000,000
2015	\$0

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2014	\$0
2015	\$0
2016	\$0
2017	\$0
2018	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from <i>Economic Stabilization Fund</i> 599	Probable Revenue (Loss) from <i>Economic Stabilization Fund</i> 599	Probable Revenue Gain from <i>New Fund - State Water Implementation Fund</i>
2014	(\$2,000,000,000)	(\$16,059,000)	\$2,000,000,000
2015	\$0	(\$30,450,000)	\$0
2016	\$0	(\$41,307,000)	\$0
2017	\$0	(\$52,798,000)	\$0
2018	\$0	(\$65,109,000)	\$0

Fiscal Analysis

The bill would make an appropriation of \$2,000,000,000 from the Economic Stabilization Fund to the State Water Implementation Fund, contingent upon the 83rd Legislature enacting legislation creating the State Water Implementation Fund.

The bill stipulates the money would be held and invested by the Texas Treasury Safekeeping Trust Company and available for use by the Texas Water Development Board for the purposes of the state water implementation fund for Texas.

The bill would take effect September 1, 2013, but only if it received a vote of two-thirds of the members present in each house, pursuant to Article III, Section 49-g(m), allowing for an appropriation from the Economic Stabilization Fund for any purpose.

Methodology

Because provisions of the bill would decrease the balance of the Economic Stabilization Fund, the bill would decrease interest income that would otherwise have been credited to that fund. Because the bill does not stipulate how much of or what investments would be made with the balances of the State Water Implementation Fund, interest earnings to the recipient fund cannot be estimated.

Local Government Impact

The bill would provide the funding for local entities to receive subsidized financing for certain projects eligible for State Water Plan funding. The new capitalized fund would revolve from a combination of loans from two sources: capitalization funds and leveraged bond debt.

Source Agencies: 304 Comptroller of Public Accounts, 580 Water Development Board

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