

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 17, 2013

TO: Honorable Dan Patrick, Chair, Senate Committee on Education

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB1243 by Hegar (Relating to the issuance of interest-bearing time warrants and certain notes by school districts.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would increase the allowable maturity period for an interest-bearing time warrant issued by a school district from five years to 10 years. The bill would allow a school district to issue interest-bearing time warrants to refund previously issued warrants if the refunding warrants ended at the same time as the original warrants. The bill would increase the limit on the total amount of a district's outstanding time warrants from \$500,000 to \$1 million. The bill would amend the Education Code to authorize a school district to borrow money for maintenance expenses using a nonnegotiable note and to specify that maintenance expenses or expenditures include expenditures related to a refunding note that does not extend the maturity date of the original note. The bill would amend the Government Code to exempt from attorney general review and approval a nonnegotiable note with a principal amount of \$1 million or less that was issued by a school district.

This bill has no direct fiscal implications for the Foundation School Program (FSP) or the operations of the Texas Education Agency (TEA). The Office of the Attorney General does not anticipate any significant fiscal implications as a result of the bill.

Local Government Impact

School districts would have greater flexibility with regard to borrowing money.

Source Agencies: 302 Office of the Attorney General, 701 Central Education Agency

LBB Staff: UP, JBi, JSc, BW