

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

**FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION**

**April 8, 2015**

**TO:** Honorable Jimmie Don Aycock, Chair, House Committee on Public Education

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB506** by Rodriguez, Eddie (relating to the issuance of tax-supported bonds by certain school districts and increasing the tax rate limitation on the issuance of those bonds.),  
**Committee Report 1st House, Substituted**

<p><b>No significant fiscal implication to the State is anticipated.</b></p>
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The bill would authorize the Office of the Attorney General, under certain circumstances, to approve additional school district bonds where the district's ability to pay the principal of and interest on the proposed bonds and certain previously issued bonds exceeds a tax rate of \$0.50 per \$100 of valuation.

The bill would require the board of trustees of an independent school district with an interest and sinking fund tax rate of \$0.45 per \$100 or greater of valuation to adopt a capital improvement plan.

Based on information provided by the Texas Education Agency and the Office of the Attorney General, this analysis assumes that any additional costs associated with implementing the provisions of the bill could be absorbed within each agency's existing resources.

**Local Government Impact**

School districts with an interest and sinking rate of \$0.45 or greater per \$100 of valuation could incur some administrative costs related to adopting a capital improvement plan. According to the Texas Education Agency, certain districts which would be allowed to exceed the current statutory limits related to school district bond authorizations could experience a savings on interest by using current interest bonds rather than capital appreciation bonds.

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

**LBB Staff:** UP, JBi, AM, AH, TBo