

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

April 30, 2015

TO: Honorable Charles Perry, Chair, Senate Committee on Agriculture, Water & Rural Affairs

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB1224 by Lucio III (Relating to the purposes for which the assets of certain revolving funds administered by the Texas Water Development Board may be used.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

The bill would allow the Water Development Board to approve by resolution the use of assets of the Clean Water State Revolving Fund (CWSRF), the Drinking Water Revolving Fund (DWSRF), and any additional state revolving fund created in the future, as a source of revenue or security, or both, for the payment of the principal of and interest on state revolving fund bonds.

The bill would give the Board the authority under state law to approve the cross-collateralization of the state revolving funds. The agency reports that cross-collateralization would provide enhanced security to bondholders by providing additional sources of available revenues from which to draw for debt service, thereby improving the bond ratings and reducing the cost of borrowing from the DWSRF for borrowers. The bill's passage is not expected to have a significant impact on the agency's workload.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 352 Bond Review Board, 580 Water Development Board

LBB Staff: UP, SZ, TL