

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

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

**April 14, 2015**

**TO:** Honorable Tan Parker, Chair, House Committee on Investments & Financial Services

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

**IN RE:** **HB3654** by Murphy (Relating to fiscal transparency and accountability of certain political subdivisions.), **As Introduced**

**No significant fiscal implication to the State is anticipated.**

The bill would amend the Local Government Code to require a political subdivision to publish certain debt and fiscal information in an annual report on an Internet website. Alternatively, the political subdivision would be permitted to provide the Comptroller of Public Accounts (CPA) the required fiscal information and CPA would post the information on its website. The bill would require certain political subdivisions to maintain a website to comply with the bill provisions. The bill would prohibit a governing body of certain political subdivisions from authorizing a certificate to pay a contractual obligation if an issuance of bonds for the same purpose failed to be approved by voters within the preceding three years.

The bill would repeal Section 140.006, Local Government Code.

The bill has no direct fiscal implications for the Foundation School Program (FSP) or the operations of the Texas Education Agency (TEA).

**Local Government Impact**

There could be costs to political subdivision for implementing the bill. The costs would vary by political subdivision depending on a number of factors including: employing personnel to complete the report requirements and costs associated with creation and maintenance of a website for applicable subdivisions.

School districts would be required to provide extensive additional information about revenues and expenditures, including information either in their annual financial report or via a link from the district's website to the Comptroller of Public Account's website. There would be some administrative costs to districts to provide this additional information.

Dallas Community College reported the report requirements are already available in the annual financial report and the district already maintains a website; therefore, no significant fiscal impact is anticipated.

Odessa College, Cooke County, Northeast Texas Municipal Water District, Denco Area 911 District, the City of Baytown and Tom Green County reported no significant fiscal impact is

anticipated.

Ector County reported the report requirements are readily available and the county already maintains a website; therefore, no significant fiscal impact is anticipated.

The Texas Municipal League reported there could be costs associated with smaller municipalities needing additional personnel to assist in assembling the required fiscal information; however, costs cannot be determined.

The Texas Organization of Rural and Community Hospitals reported possible costs to districts would include the costs of establishing or maintaining a website and changes in accounting system software to meet the report requirements; however, costs cannot be determined.

**Source Agencies:** 304 Comptroller of Public Accounts, 592 Soil and Water Conservation Board, 701 Central Education Agency

**LBB Staff:** UP, EK, JBi, ED, CL, SD, LCO