

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

February 26, 2015

TO: Honorable Jane Nelson, Chair, Senate Committee on Finance

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB249 by Campbell (Relating to dedicating certain state revenue to the purpose of retiring state general obligation debt.), **As Introduced**

No fiscal implication to the State is anticipated in the upcoming biennium. In future periods, it could be possible to have a negative impact on the ending GR balance, however the fiscal impact, if it were to occur, cannot be estimated at this time.

The bill would amend Subchapter F (management of funds in the treasury) of Chapter 403 (Comptroller of Public Accounts) of the Government Code, relating to dedicating certain state revenue to the purpose of retiring state general obligation debt.

The bill would add new Section 403.098 to create a state debt retirement account in the General Revenue Fund (GR). The Comptroller would be directed, when required by Section 49-g of Article III of the Texas Constitution to reduce the amount of general revenue otherwise transferred to the Economic Stabilization Fund (ESF) to prevent the ESF balance from exceeding its constitutional cap, to transfer that amount of money from GR to the state debt retirement account created by this bill. The Comptroller also would follow this procedure when GR interest earnings would otherwise be due to the ESF.

Money in the account may be appropriated only to pay principal or interest on state general obligation debt or to make a payment under a credit agreement related to a state general obligation. Appropriations from the new account would be made only by a two-thirds vote of the members present in each house of the Legislature.

The CPA's 2016-17 *Biennial Revenue Estimate* does not predict a reduction in the amount of General Revenue transferred to the Economic Stabilization Fund pursuant to Article III Section 49-g (b), therefore the bill would have no fiscal impact in the upcoming biennium.

The act would take effect September 1, 2015.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

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