

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATURE 1st CALLED SESSION - 2017

July 26, 2017

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB111 by Murphy (Relating to general obligation bonds issued by political subdivisions.), **As Introduced**

<p>No significant fiscal implication to the State is anticipated.</p>
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The bill would amend the Election Code and Government Code to require a political subdivision holding an election for general obligation bonds post any sample ballot prepared for the election on their website. The bill would prohibit a political subdivision from issuing a bond to purchase, construct, or improve personal property if the average maturity date of the bonds exceeds 120 percent of the projected average useful life.

The bill would prohibit a political subdivision from using unspent bond proceeds for any other purpose than what the bonds were issued for unless the specified purpose is accomplished or abandoned and an election is held in which a majority of voters approve the use for a proposed purpose.

The bill would repeal Chapter 1332 of the Government Code.

The Texas Education Agency does not anticipate a significant fiscal impact from the bill and the Secretary of State would update advisory materials within existing resources.

The bill would take effect December 1, 2017.

Local Government Impact

According to Dallas County holding an election to spend unspent bond funds would cost an estimated \$1.5 million.

Source Agencies: 352 Bond Review Board, 701 Texas Education Agency, 307 Secretary of State

LBB Staff: UP, CL, GG, BM, AG, JGA, ASa