

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

April 12, 2017

TO: Honorable Garnet Coleman, Chair, House Committee on County Affairs

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB2309 by Muñoz, Jr. (Relating to the authority of a county to use county revenue or incur county debt for certain public works projects.), **As Introduced**

No significant fiscal implication to the State is anticipated.

This bill would amend the Local Government Code relating to the authority of a county to use county revenue. It requires an election for public work projects funded by county revenue or debt if the project cost is \$2.5 million or greater.

According to the Comptroller of Public Accounts, this bill would have no fiscal impact on the state.

According to the Secretary of State, this bill would have no significant fiscal impact as the agency would update/create advisory materials within existing resources..

The bill would take effect immediately if it receives a vote of two-thirds of each house. If the bill does not receive the vote necessary for immediate effect, it would take effect September 1, 2017.

Local Government Impact

Based on costs reported to the Secretary of State in 2014 by a sampling of local governments, the average cost incurred for an election would be \$1.98 per registered voter. The election cost per local government would vary depending on the number of registered voters in each locality. If a special election were to be held on the general election date, the local government would experience an increase in costs that would not likely be significant because the state pays the majority of these costs. However, if a special election were to be held on a uniform election date other than the general election date, the local government would incur the full cost associated with conducting the special election to pay election workers, fees for the use of polling locations, publishing notices, and printing ballots.

The Texas Association of Counties and the Comptroller of Public Accounts received reports from several counties that this bill would have a negative fiscal impact.

According to El Paso County, the bill would have impacted 29 projects over the past 10 years with a projected amount of \$307,000 per election with the number of elections required being unknown but no fewer than 10. According to the county, the bill would also cause delays of normal operational decisions of local governments in repairing, equipping and furnishing existing facilities and significantly hamper maintenance and upkeep of existing facilities.

According to Denton County, general elections cost in excess of \$50,000. It is doubtful that the county would call a special election just for these items and they would instead be added to the November general election. The additional cost for adding items to a ballot is estimated by the county to be under \$20,000, mostly for legal services to ensure that the items are properly listed. Also according to the county there would also likely be an annual added cost due to delays in starting projects. This cost cannot be estimated accurately.

According to the Cameron County Auditor, the cost to hold a countywide election would be approximately \$100,000 per year. To hold a countywide election to make improvements or build new public buildings over a five-year span of time would equate to \$500,000. Also according to the county, passage of the bill would put the county's capital projects on hold and the county would not have the financial resources to improve, refurbish or address public buildings.

According to the Hidalgo County Budget Office, if this bill were to be adopted, it would have a negative impact on the county, since the county consistently has projects above the \$2.5 million threshold as identified in the bill. In addition, this bill would cause delays in the projects progress due to the need to call for an election which may increase construction costs. The county anticipates a countywide election for each public improvement project would cost approximately \$730,000.

Source Agencies: 304 Comptroller of Public Accounts, 307 Secretary of State

LBB Staff: UP, JGA, GG, GP, ASa