

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

April 18, 2017

TO: Honorable Lyle Larson, Chair, House Committee on Natural Resources

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HJR36 by González, Mary (Proposing a constitutional amendment providing for the issuance of additional general obligation bonds by the Texas Water Development Board to provide assistance to economically distressed areas.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HJR36, As Introduced: a negative impact of (\$114,369) through the biennium ending August 31, 2019.

The joint resolution would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2018	(\$114,369)
2019	\$0
2020	(\$4,166,667)
2021	(\$4,875,000)
2022	(\$8,916,667)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund
2018	(\$114,369)
2019	\$0
2020	(\$4,166,667)
2021	(\$4,875,000)
2022	(\$8,916,667)

Fiscal Analysis

The joint resolution proposes a constitutional amendment to Article III of the Texas Constitution that would allow the Texas Water Development Board (TWDB) to issue additional general obligation bonds for the Economically Distressed Areas Program (EDAP) account of the Texas Water Development Fund II in an amount not to exceed \$200 million.

The proposed amendment would be submitted to voters at an election to be held November 7, 2017. If the resolution passes, the constitutional amendment would take effect upon certification of the election by the Governor and the Secretary of State.

Methodology

Based on the analysis of TWDB, it is assumed that TWDB would issue bonds with \$50 million in par amount on December 1, 2019 and on December 1, 2021 at 5 percent interest rates. This analysis assumes that debt service payments would be made with General Revenue and that there would be no loan repayment revenue within the first five years.

The cost to the state for publication of the resolution is \$114,369.

Local Government Impact

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

Source Agencies: 302 Office of the Attorney General, 304 Comptroller of Public Accounts, 352 Bond Review Board, 580 Water Development Board

LBB Staff: UP, SZ, MW, PBO, JSm