

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

March 24, 2017

TO: Honorable Eddie Lucio, Jr., Chair, Senate Committee on Intergovernmental Relations

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB461 by Lucio (Relating to the notice required before the issuance of certain debt obligations by political subdivisions.), **As Introduced**

<p>No fiscal implication to the State is anticipated.</p>
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The bill would amend the Election Code relating to the information provided on bond propositions and by all political subdivisions of the state. The bill would allow information on bonds including the total principal, the rate of interest, the imposition of taxes to cover the interests and establish a sinking fund to redeem the bonds at maturity, and the maturity date of the bonds. A political subdivision that maintains a website would be required to post the information on the website in an easily accessible manner.

The bill would amend the Local Government Code allowing the notice of issuance of certificates of obligation to be posted in a newspaper or on the website of the issuer continuously for 45 days before the tentative date set for passage. The notice by the issuer must include the then-current principal and the then-current combined principal and interest of all outstanding debt. The notice must also show the principal, combined principal and interest, the interest rate, and maturity date of the certificates to be issued.

The bill would repeal Section 1251.002 of the Government Code.

The bill would take effect September 1, 2017.

Local Government Impact

TEA estimates the provisions of the bill could be done at a minimal local school district cost.

Source Agencies: 701 Texas Education Agency

LBB Staff: UP, JGA, GG, BM