

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

April 30, 2019

TO: Honorable Jim Murphy, Chair, House Committee on Pensions, Investments & Financial Services

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: HB4408 by Middleton (Relating to the authority of a political subdivision to issue public securities for certain purposes.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend the Government Code to prohibit a political subdivision from issuing a public security for the same purpose that was submitted by the political subdivision to the voters in a bond proposition during the preceding five years and that failed to be approved.

According to the Bond Review Board (BRB), the impact on state debt cannot be determined at this point.

The bill provides for no additional debt authorization. As a result, it is assumed that the bill will not have a significant fiscal implication to the State.

Local Government Impact

According to BRB, the impact on local debt cannot be determined at this point.

According to the Texas Association of Counties, the bill would have a potentially significant fiscal impact on some counties. Counties, for example, have issued bonds to pay for personal computers and servers with a short replacement cycle. They would not be able to request a second bond to replace this equipment at the ends of its life cycle and would be required to pay for replacement hardware from operating funds or to keep using old equipment beyond recommended periods.

According to the Texas Municipal League, the bill would not have a significant fiscal impact on cities.

Source Agencies: 352 Bond Review Board

LBB Staff: WP, CMa, SD, GP, LLo