

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

May 6, 2019

TO: Honorable Paul Bettencourt, Chair, Senate Committee on Property Tax

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

IN RE: **SB1090** by Campbell (relating to the vote required to authorize the issuance of certain bonds.), **Committee Report 1st House, Substituted**

<p>No significant fiscal implication to the State is anticipated.</p>
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The bill would amend the Election Code to require a three-fifths vote for the issuance of bonds by a political subdivision.

According to the Secretary of State, the bill would have no significant fiscal impact. The office would revise advisory materials within existing resources.

Local Government Impact

According to the Texas Municipal League, if the bill has the effect of fewer bond propositions being passed, then the fiscal impact could be significant. These bonds are used by cities to finance large projects that must be paid out over time.

According to the Texas Association of Counties, the bill would have a potentially significant fiscal impact on counties which could be forced to hold multiple elections in order to obtain authorization to issue bonds for necessary expenditures. Delays in obtaining authorization could result in increased operating costs as counties attempt to maintain aging infrastructure and equipment. The bill could also increase bond cost due to interest rates changing while multiple elections are held as well as increase bond issuance costs.

Source Agencies: 307 Secretary of State

LBB Staff: WP, KK, SD, GP