

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

April 26, 2019

TO: Honorable Donna Campbell, Chair, Senate Committee on Veteran Affairs & Border Security

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

IN RE: SB2131 by Powell (relating to the application for and loans from the Texas military value revolving loan account.), **Committee Report 1st House, Substituted**

The fiscal impact cannot be determined at this time because it is dependent on the number, size and performance of loans approved by the Texas Military Preparedness Commission.

The Texas Military Preparedness Commission is required to implement a provision of this Act only if the legislature appropriates money specifically for that purpose. If the legislature does not appropriate money specifically for that purpose, the commission may, but is not required to, implement a provision of this Act using other appropriations available for that purpose.

The bill would amend the Government Code to authorize the proceeds of general obligation debt issued pursuant to Art. III, Sec. 49-n, of the Texas Constitution to be loaned to qualified defense communities for the purpose of retiring debt previously incurred to finance an eligible project. The cost to the state cannot be determined as it would be dependent on the number, size, and performance of loans approved by the Texas Military Preparedness Commission. According to the Texas Public Finance Authority, \$200.4 million of the \$250 million general obligation debt authority remains unissued.

According to the Office of the Governor, no fiscal impact is anticipated.

Local Government Impact

The fiscal impact to units of local government cannot be determined. However, to the extent that a Defense Dependent Community had previously incurred debt through a source other than a loan from the military value revolving loan account in order to fund an eligible project, a refinancing of that debt through the military value revolving loan account could provide a long term savings in debt service payments to that Defense Dependent Community.

Source Agencies: 300 Truusted Programs Within the Office of the Governor, 347 Public Finance Authority

LBB Staff: WP, SLE, JQ, LBO, LLo