

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

May 5, 2015

TO: Honorable Jane Nelson, Chair, Senate Committee on Finance

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB1378 by Flynn (Relating to the fiscal transparency and accountability of certain entities responsible for public money.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

The bill would amend the Local Government Code to require a political subdivision to publish certain debt and fiscal information in an annual report on an Internet website. Alternatively, the political subdivision would be permitted to provide the Comptroller of Public Accounts (CPA) the required fiscal information and CPA would post the information on its website. The bill would permit certain counties or municipalities, as an alternative to the reporting requirements, to provide CPA with a comparable financial report and CPA would be required to post the information on its website. The bill would require certain political subdivisions to maintain a website to comply with the bill provisions. Under the provisions of the bill, certain districts who comply with financial document requirements under Chapter 49, Water Code satisfy the requirements of the bill and must submit the documents to the CPA to be posted on the CPA's website.

The bill would prohibit a governing body of certain political subdivisions from authorizing a certificate to pay a contractual obligation if an issuance of bonds for the same purpose failed to be approved by voters within the preceding three years.

The bill has no direct fiscal implications for the Foundation School Program (FSP) or the operations of the Texas Education Agency (TEA).

Local Government Impact

There could be costs to political subdivision for implementing the bill. The costs would vary by political subdivision depending on a number of factors including: employing personnel to complete the report requirements and costs associated with creation and maintenance of a website for applicable subdivisions.

There would be some administrative costs to local school districts to provide additional information; however, the costs are not anticipated to be significant.

Dallas Community College reported the report requirements are already available in the annual financial report and the district already maintains a website; therefore, no significant fiscal impact is anticipated.

The Texas Municipal League reported no significant fiscal impact to cities is anticipated.

Cooke County, the City of Baytown, Northeast Texas Municipal Water District, and Odessa College reported no significant fiscal impact is anticipated.

Ector County reported the report requirements are readily available and the county already maintains a website; therefore, no significant fiscal impact is anticipated.

Tom Green County reported most of the report requirements are already available in the county annual financial report and the county already maintains a website; therefore, no significant fiscal impact is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 352 Bond Review Board, 592 Soil and Water Conservation Board, 701 Central Education Agency

LBB Staff: UP, KK, SD, EK, CL, LCO, JBi, ED