

**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: SB460** by Lucio (Relating to general obligation bonds issued by political subdivisions.),  
**As Introduced**

**No significant fiscal implication to the State is anticipated.**

The bill would amend the Election Code and Government Code to require a political subdivision holding an election for general obligation bonds must post any sample ballot prepared for the election on their website. The bill would prohibit a political subdivision from issuing a bond to purchase, construct, or improve if the projected useful life ends before the maturity date of the bond.

The bill prohibits a political subdivision from using unspent bond proceeds for any other purpose than what the bonds were issued for unless the specified purpose is accomplished or abandoned and an election is held in which a majority of voters approve the use for a proposed purpose.

The bill would repeal Chapter 1332 of the Government Code.

The bill would take effect September 1, 2017.

**Local Government Impact**

According to Dallas County holding an election to spend unspent bond funds would cost an estimated \$1.5 million.

**Source Agencies:** 307 Secretary of State, 352 Bond Review Board, 701 Texas Education Agency

**LBB Staff:** UP, JGA, GG, BM, ASa