



FISCAL NOTES

Certificates of Obligation By Liz Vela



A FUNDING TOOL FOR LOCAL PROJECTS

Texas state law generally requires our local governments to seek voters' approval before issuing debt that will be repaid from tax revenues. And every year, in May and November, voters across the state are asked to approve new bond debt for the construction of city and county buildings, hospitals, schools, water infrastructure and much more.

One common form of borrowing, however, represents an exception to this rule: certificates of obligation (COs), which some local governments can use to fund public works *without* voter approval.

COs provide local governments with important flexibility when they need to finance projects quickly, as with reconstruction after a disaster or as a response to a court decision requiring capital spending. But the way COs circumvent voter approval has made them controversial, leading to 2015 legislation restricting their use.

CO BASICS

COs initially were authorized by Texas' Certificate of Obligation Act of 1971. Cities, counties and health or hospital districts can use them to fund the construction,

Certificates of obligation often are associated with emergency spending, but their use isn't restricted to such purposes. They can be used to fund public works as part of standard local government operations.

demolition or restoration of structures; purchase materials, supplies, equipment, machinery, buildings, land and rights of way; and pay for related professional services. COs are issued for terms of up to 40 years and usually are supported by property taxes or other local revenues.

COs often are associated with emergency spending, but their use isn't restricted to such purposes. They can be used to fund public works as part of standard local government operations.

CONTINUED ON PAGE 3

A Message from the Comptroller

We all agree voters should have a say in what our political leaders do and spend. That's true for any level of government.

In Texas, our local governments often go before the voters to get approval for bond packages

they'll use for major projects such as road repairs, the construction of new buildings or the renovation of existing ones. But there's one form of local government borrowing that doesn't require voter approval: the certificate of obligation (CO).

In this issue of *Fiscal Notes*, we'll examine these useful but sometimes controversial instruments, which are available to Texas cities, counties and health or hospital districts. COs allow these governments to move quickly on projects when they need to, but concerns about the way in which they circumvent voter approval recently led the Legislature to put important limitations on their use.

We also look at the fiscal noting process, which adds up the potential costs, savings and revenue gains or losses that may result from new legislation. (And yes, that's where this newsletter got its name.)

The state's Legislative Budget Board (LBB) must prepare a "fiscal note," a document summarizing these impacts, for each new bill introduced into the Texas Legislature, and update it to reflect every amendment or other change the bill undergoes as it winds its way through committee and toward a final vote. LBB relies heavily on Comptroller assistance, particularly for bills affecting state revenues, as it prepares literally thousands of fiscal notes for each legislative session.

Fiscal notes are essential to the Legislature, but they're also readily available to the public, ensuring a high degree of financial transparency.

As always, I hope you enjoy this issue!



GLENN HEGAR

Texas Comptroller of Public Accounts

PORT OF ENTRY

LAREDO

Texas' location and diverse economy offer unique trade opportunities and make it a critical gateway to global business. Our state boasts **29 OFFICIAL PORTS** of entry that facilitated more than **\$631 BILLION** in trade in 2015, trade that supports an estimated **1.6 MILLION TEXAS JOBS** and adds **\$224.3 BILLION** to our gross state product annually. Our ports of entry benefit every part of our state. By highlighting them, we hope to emphasize their importance to a strong, diverse and growing Texas economy.



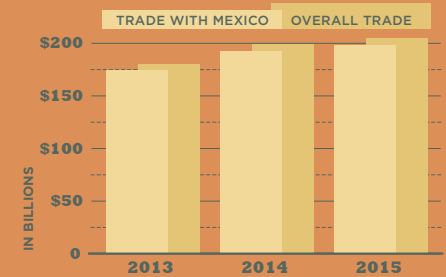
Glenn Hegar
Texas Comptroller of Public Accounts

Laredo's border crossings account for:

32% OF ALL INTERNATIONAL TRADE IN TEXAS
363,000 JOBS
\$52 BILLION IN TEXAS GROSS DOMESTIC PRODUCT

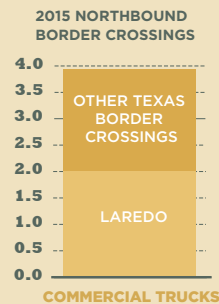
Source: Laredo Bridge System
City of Laredo

Mexico provides the bulk of trade passing through Laredo.



Source: Texas Center for Border Economic and Enterprise Development

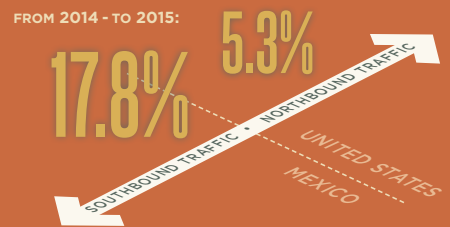
LAREDO BORDER CROSSING ACTIVITY



Source: Texas Center for Border Economic and Enterprise Development

COMMERCIAL TRUCK TRAFFIC

Laredo's commercial cross-border truck traffic has increased steadily.



Source: Texas Center for Border Economic and Enterprise Development

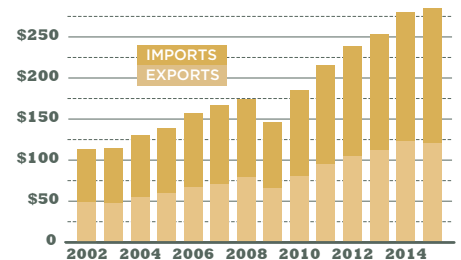
THE WORLD TRADE BRIDGE IS USED BY MORE THAN 12,000 COMMERCIAL VEHICLES DAILY.

Source: Texas Center for Border Economic and Enterprise Development

LAREDO IS THE BUSIEST COMMERCIAL CROSSING FROM MEXICO INTO TEXAS.

LAREDO CUSTOMS DISTRICT

Laredo border crossings are part of the larger Laredo Customs District. The district accounted for \$284 billion in trade in 2015, making it the third-largest U.S. customs district by value, behind Los Angeles and New York.



Source: U.S. Census Bureau

LAREDO IS ONE OF 29 OFFICIAL TEXAS PORTS OF ENTRY.

To see a complete list, plus more in-depth regional data, visit:

COMPTROLLER.TEXAS.GOV/ECONOMY/ECONOMIC-DATA/PORTS

Commissioners courts, city councils and health or hospital district boards opting to issue COs must post a description of the projects to be financed in local newspapers at least twice, first more than 30 days before the governing body's vote on the CO issuance and again a week after the initial posting. These postings must describe the general purpose and amount of the debt to be issued, name the method of repayment and list the time and place of the governing body's vote.

And, again, COs do not require voter approval unless 5 percent of qualified voters within the jurisdiction petition for an election on the spending in question.

Local governments pay for public infrastructure projects by issuing long-term debt, either through COs or the more common *general obligation (GO) bonds*, which require voter approval; or through *revenue bonds* that must be backed by a specific revenue stream, sometimes generated by the project itself. Given their streamlined adoption process, COs can be particularly attractive when a local government wishes to, for example, take quick advantage of lower interest rates, purchase a newly available property or come into compliance with a federal or state regulation.

According to the Texas Bond Review Board (BRB), CO debt held by cities, counties and hospital/health districts made up 16 percent of their total debt obligations in 2015, but just 6 percent of *all* local government debt. (By contrast, school districts carry 34 percent of Texas local government debt.)

By the end of fiscal 2015, cities held more than three-quarters of outstanding CO debt (**Exhibit 1**).

Between fiscal 2006 and fiscal 2015, outstanding CO debt issued by cities, counties and hospital/health districts rose by nearly 85 percent.

CO DEBT RISING FAST

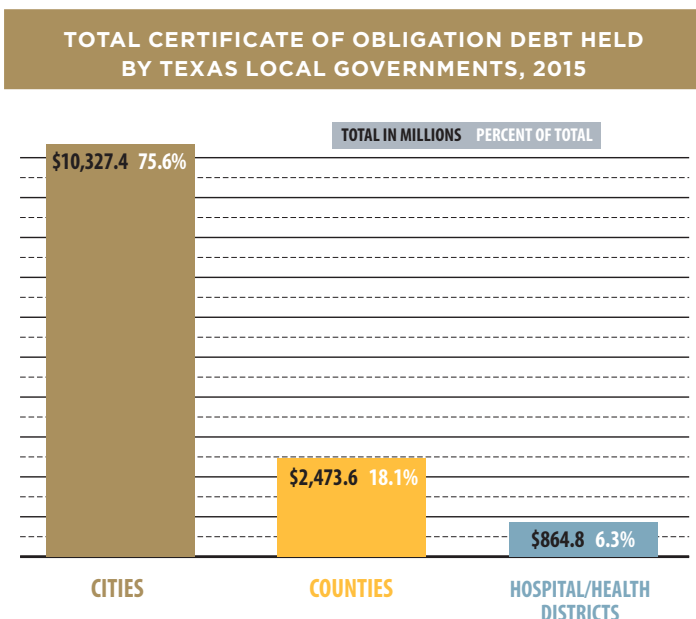
According to the BRB, between fiscal 2006 and fiscal 2015 outstanding CO debt issued by cities, counties and hospital/health districts rose by nearly 85 percent, substantially faster than the 50 percent growth rate for total debt held by these entities. The growth in CO debt outstanding also outstripped total debt growth in each type of jurisdiction allowed to issue them (**Exhibit 2**).

CO *issuance* rose by an annual average rate of 36 percent between fiscal 2006 and 2015. Annual economic growth during this period averaged 8 percent for cities, 62 percent for counties and 35 percent for health and hospital districts.

In addition to examining the overall growth in the use of COs, it's useful to consider how voters in

CONTINUED ON PAGE 4

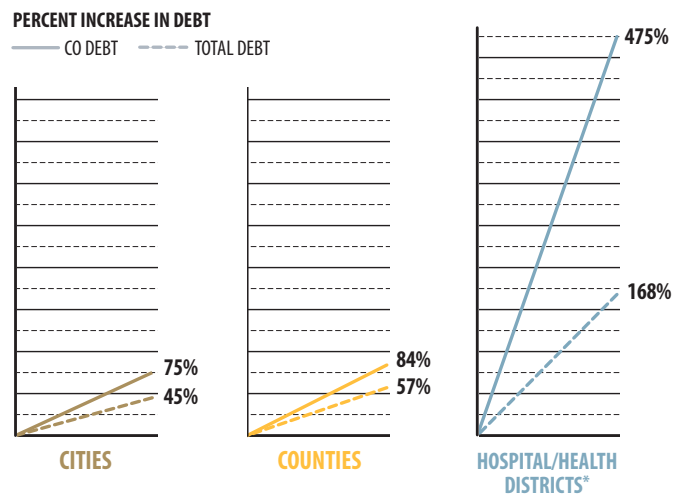
EXHIBIT 1



Source: Texas Bond Review Board

EXHIBIT 2

GROWTH IN OUTSTANDING CERTIFICATE OF OBLIGATION DEBT VS. TOTAL DEBT, 2006-2015



CO DEBT OUTSTANDING (IN MILLIONS)

Year	2006	2015
CITIES	\$5,887.5	\$10,327.4
COUNTIES	\$1,341.0	\$2,473.6
HOSPITAL/HEALTH DISTRICTS*	\$150.3	\$864.8

*The bulk of this debt represents \$696 million in CO debt approved by the Bexar County Hospital District in 2009 to finance its Master Facility Plan.

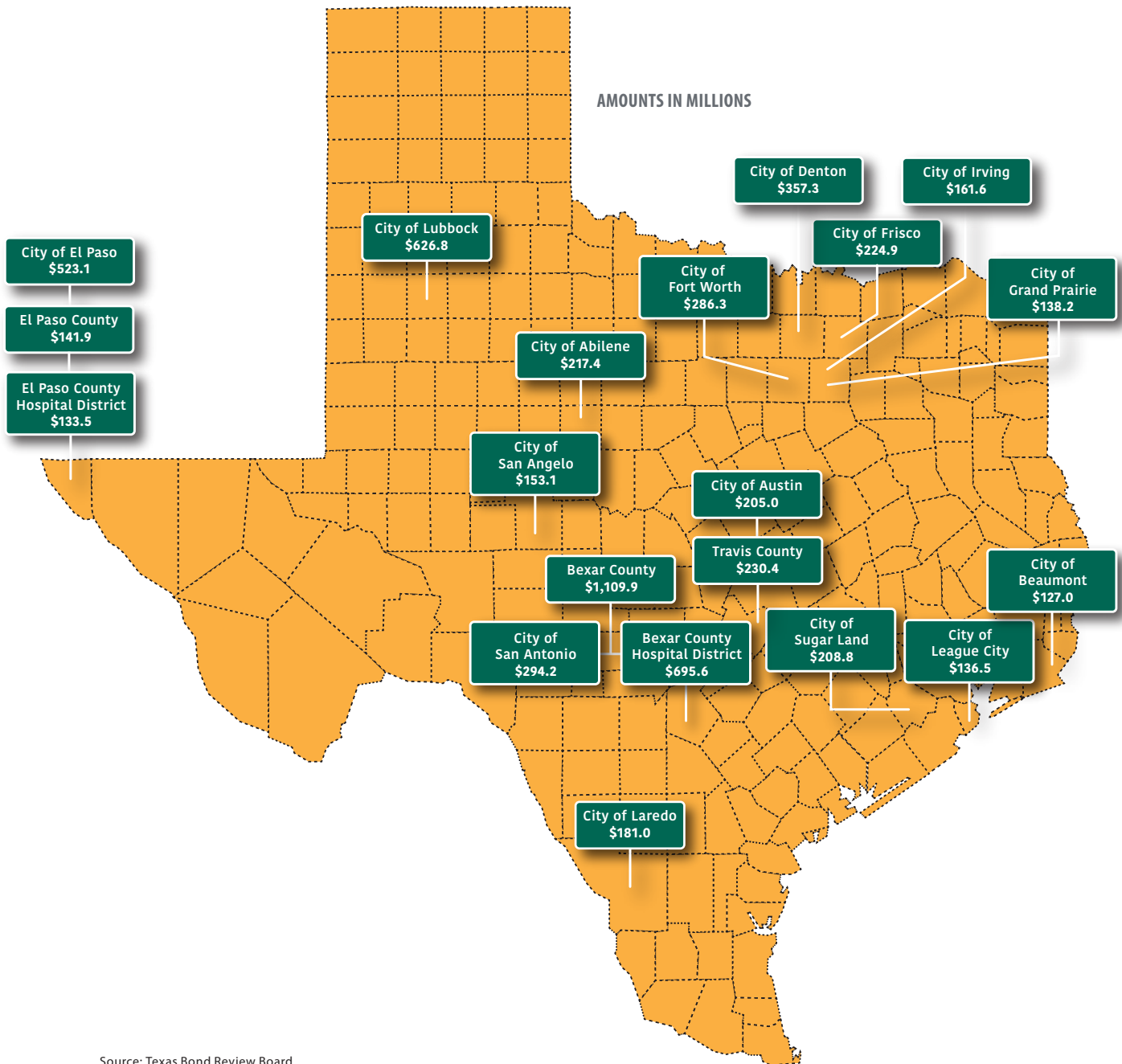
Source: Texas Bond Review Board

specific geographic regions are affected by CO debt. In some areas, political subdivisions issuing CO debt overlap with one another, creating concentrations of outstanding CO debt. This is particularly evident in major metropolitan counties. In Bexar County, for instance, the county, its hospital district and the city of San Antonio all are among the top 20 Texas jurisdictions in terms of outstanding CO debt (**Exhibit 3**).

Examples of 2015 CO issuances include \$67 million issued by the city of Abilene for extensions and improvements to its water supply, and \$60 million issued by Williamson County to fund construction of new buildings and renovations to existing structures for the Sheriff's Office and the county's emergency medical services. Health and hospital districts, by contrast, issued no certificates of obligation in 2015.

EXHIBIT 3

20 TEXAS JURISDICTIONS WITH THE LARGEST OUTSTANDING CO DEBT, 2015



Source: Texas Bond Review Board

PROS AND CONS

Many Texans, including legislators, are concerned about rising levels of local debt. According to the BRB, Texas ranks second-highest among the 10 most populous states for per-capita local debt. Certificates of obligation, unsurprisingly, have come under considerable scrutiny in recent years.

As noted previously, proponents tout the flexibility CO bonds afford local officials in responding to critical and emerging public needs, allowing them to act without having to wait for — or pay for — an election. And unlike general obligation bonds, a single CO can be issued to support more than one purpose or project, reducing the cost of issuance.

Local governments often use COs to refinance or reduce interest rates on existing debt, enjoying substantial savings. At times, they can help reduce costs in other ways.

The city of Denton, for instance, began issuing COs to fund utility system projects in 2010, in response to the collapse of the municipal bond insurance industry following the 2008 financial crisis. Denton had previously employed revenue bonds for utility projects, repaying the bonds with revenue from utility payments. Without bond insurance, however, Denton would have had to pay a far higher interest rate on the revenue bonds. Bryan Langley, Denton's assistant city manager, says the city's use of COs rather than revenue bonds between fiscal 2010 and 2016 saved it more than \$2.3 million in interest costs, an amount it subsequently dedicated to street improvements.

Opponents, on the other hand, say COs allow local officials to burden taxpayers with long-term, tax-funded debt without adequate citizen input or approval, and that the ability to fund multiple projects with a single CO issuance is confusing and disguises public indebtedness.

They also point out that the provision requiring at least 5 percent of voters to petition for an election on CO debt is a significant hurdle in metropolitan areas.

NEW LIMITATION ON CO POWERS

Opposition to COs came to a head a few years ago in Montgomery County, north of Houston. In 2012, the Montgomery County Commissioner's Court issued \$30 million in COs for a road project in Conroe, less than a year after voters rejected a \$200 million bond proposal including the same project.

As a result, area citizens pressed for legislation to curtail their use, culminating in 2015's H.B. 1378, which prohibits the issuance of COs for any project voters rejected in the preceding three years. Exceptions



include a “public calamity” that threatens property or public health, or the immediate need to comply with a state or federal regulation, rule or law.

It's probably too soon to weigh the impact of H.B. 1378, which took effect in January 2016. But regulators have reported that local officials seem to be using more specific language in general obligation bond proposals, to preserve their ability to issue CO bonds for related projects in the future. For example, instead of a GO bond proposal for “city center street improvements,” the proposal might specify the streets to be improved, so that if voters reject the GO bonds, COs still can be issued for other street projects in the city center.

According to the BRB, CO issuance has risen by 19 percent since January 2016. CO issuance varies widely from year to year, however, and it's unclear whether the new law has had any effect on the frequency of CO issuance.

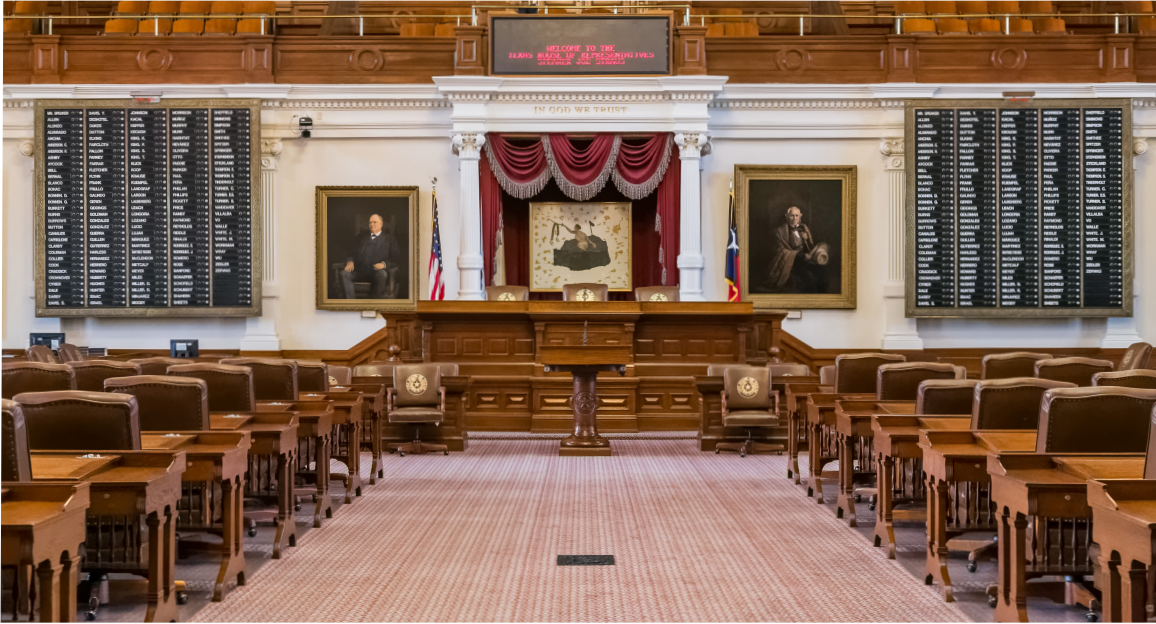
Other states have considered similar action to regulate debt issuance without voter approval. North Carolina's Senate Bill 129, passed in 2013, caps statewide non-voter-approved debt at 25 percent of the state's total bonded indebtedness. In New York state, which carries the nation's largest state and local per-capita debt burden, lawmakers proposed a bill that, if approved, would have required voter approval for all new state debt, with only limited exceptions.

In addition to H.B. 1378, Texas lawmakers have proposed a variety of other changes to CO law, including restrictions on the kind of services that can be purchased with COs and changes to the requirements for notice of intent to issue COs. Similar bills may reemerge in the upcoming legislative session, as the movement toward greater financial transparency grows. **FN**

The Fiscal Noting Process

By Jackie Benton

DOING THE MATH ON NEW LEGISLATION



Chamber of the Texas House of Representatives, State Capitol Building, Austin, TX

One of the first lessons you learn (or *should* learn) as an adult is “doing the math” before making a purchase. You need to consider your bank account and your household budget before deciding whether to write that big check or take on a new monthly car payment.

Texas law requires the Legislature to do the math when considering new laws, by providing for a “fiscal note” that accompanies each bill. These documents, which gave this publication its name, are prepared by the state’s Legislative Budget Board (LBB), often with assistance from the Comptroller’s office and other state agencies.

Each bill filed in a regular or special legislative session receives an LBB fiscal note detailing the costs, savings, revenue gain or revenue loss that may result should it be approved. And just as you’d review your own budget before making a big financial decision, legislators review these fiscal notes to determine each bill’s impact on the state budget as well as on individual state agencies and Texas local governments.

“When I was serving in the Texas Legislature, fiscal notes were essential,” recalls Texas Comptroller Glenn Hegar. “They provided economic clarity by giving a detailed assessment of each major provision of the bill and the impact on each affected revenue source.”

Hegar says fiscal notes prepared by the LBB are critical to the legislative process and are reliable because they follow a specific set of objective and nonpartisan guidelines.

“My office is one of the source agencies providing the Legislative Budget Board with properly researched estimates of the savings, costs or revenue gains or

losses should the proposed bill or joint resolution pass,” he says.

The fiscal notes attached to each bill or joint resolution also are made available to the public via the Legislature’s website at capitol.state.tx.us.

THE PROCESS

Fiscal notes are created for bills introduced into both houses of the Legislature (**Exhibit 1**).

After the House speaker or lieutenant governor, as leader of the Texas Senate, refers a bill to the appropriate committee, that committee must request a fiscal note if it meets the Legislature’s criteria (see below). These requests are filed via a web-based fiscal noting system that routes them to the LBB fiscal note coordinator assigned to that committee. The LBB coordinator, with help from appropriate LBB analysts, determines

WHICH BILLS RECEIVE A FISCAL NOTE?

HOUSE RULES

Any bill or joint resolution that authorizes or requires the expenditure or diversion of any state funds, or that has a statewide impact on local governments of the same type or class and that authorizes or diverts local funds or fees, must have attached a fiscal note signed by the director of the Legislative Budget Board.

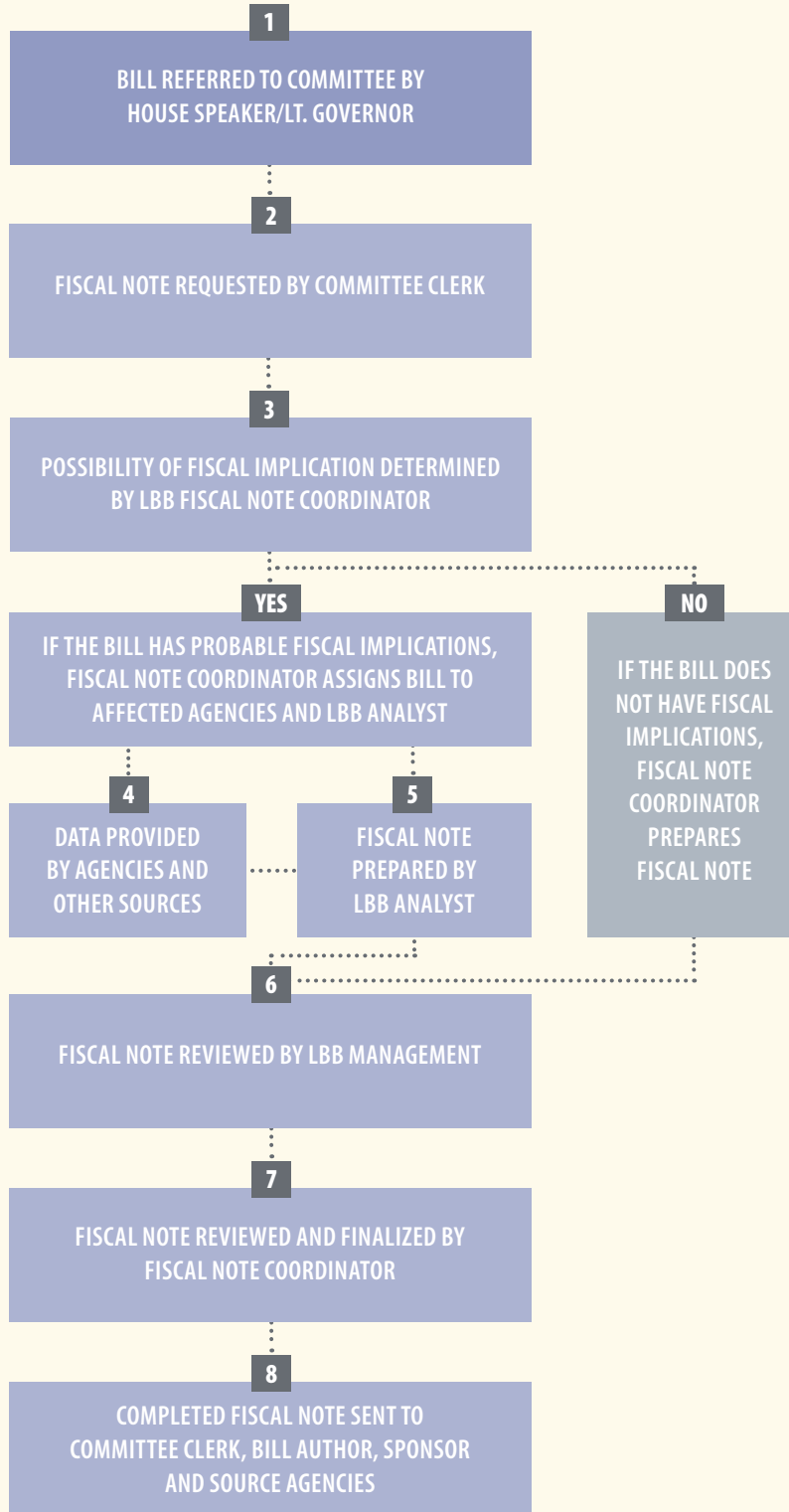
SENATE RULES

Senate rules require fiscal notes for all bills and joint resolutions.

Source: Legislative Budget Board

EXHIBIT 1

BASIC STEPS IN THE FISCAL NOTING PROCESS



Source: Legislative Budget Board

CONTINUED ON PAGE 8



R. J. DeSilva
Legislative
Budget Board

whether the bill is likely to have financial implications.

If LBB analysts determine the bill will have no net fiscal impact on the state budget, a draft fiscal note to that effect is forwarded to LBB management for approval by the agency's director.

If the analysts determine the bill *does* carry fiscal implications, LBB reaches out to its sources to help it create a clearly written, concise fiscal note that provides legislators with precise financial impact information. State agencies likely to be affected by the bill, for instance, will respond with a brief

fiscal analysis discussing any changes in their programs or operations that would occur if the bill becomes law, such as effects on costs and caseloads, and summarizing those changes with a statement of direct fiscal impacts.

LBB seeks such input from all agencies and all local governments that would be affected by or would administer the provisions of a bill. LBB isn't, however, required to *rely* on these estimates, and can take other sources into consideration to prepare a draft fiscal note.

"The LBB evaluates information for fiscal notes from a variety of resources," says R.J. DeSilva, LBB communications officer. "This includes internal analyses, information from affected agencies and the Comptroller's office, input from local governments and any input a member of the public may wish to send."

A new fiscal note must be generated each time a bill is changed by a committee or on the floor of either legislative house.

Upon approval by the LBB director, the final version of any fiscal note is sent electronically to the clerk of the originating committee as well as the bill's authors or sponsors and entities that provided input on the fiscal note. The bill with its attached fiscal note is also made available to the public on capitol.state.tx.us, giving everyone a chance to see the bill's potential effect.

NEW NOTE FOR EVERY CHANGE

This process often repeats, as a new fiscal note must be generated each time a bill is changed by a committee or on the floor of either legislative house. Any time a bill is amended by or substituted in the committee to which it was initially referred, the committee clerk must request an updated fiscal note.

DeSilva says the LBB completed 7,811 individual fiscal notes in the 2015 legislative session (**Exhibit 2**). Of those, the Comptroller's office provided information for about 19 percent or 1,480 fiscal notes.



Texas Legislative Library, Austin, TX

EXHIBIT 2

FISCAL NOTING ACTIVITY FOR THE TEXAS LEGISLATURE, 2007-2015		
LEGISLATURE	ISSUED BY LBB	COMPLETED BY COMPTROLLER'S OFFICE
80th (2007-2008)	9,410	993
81st (2009-2010)	10,316	1,364
82nd (2011-2012)	8,331	1,222
83rd (2013-2014)	7,959	1,493
84th (2015-2016)	7,811	1,480

Source: Legislative Budget Board

As the latter days of the session approach, legislators hurry to push their bills into law. LBB analysts must act swiftly to meet deadlines for fiscal notes on revised bills before they can be heard in committee or presented on the floor.

"Fiscal notes have to make deadline," explains DeSilva. "Under House rules, a fiscal note for a bill must be distributed before the bill or joint resolution can be laid out before a committee. Under Senate rules, a fiscal note must be distributed prior to a committee's final vote on a bill. In either case, LBB works to ensure deadlines are met, which includes obtaining any updated information needed from state agencies."

THE COMPTROLLER'S ROLE

LBB relies on the Comptroller's office primarily to help determine the fiscal impact of bills affecting the entire state, says Kaitlin Wetherbee of the Comptroller's Revenue Estimating Division (**Exhibit 3**).

"The LBB will send us requests for information on bills that might have a fiscal impact on the state as a whole, such as changing a tax rate or adding or removing a fee," says Wetherbee, who tracks fiscal note requests from the LBB. In practice, the board almost always accepts the Comptroller's estimates for bills that may affect the state's budget.

Revenue Estimating must remain nimble in its responses to LBB's requests, especially during session, as bills change and require updated fiscal notes.

LBB relies on the Comptroller's office primarily to help determine the fiscal impact of bills affecting the entire state.

EXHIBIT 3

COMPTROLLER PROVIDES INPUT ON FISCAL NOTES

LBB generally seeks the Comptroller's assistance in preparing fiscal notes for bills that:

- change the character of an existing state fund or create a new one;
- prescribe duties for the Comptroller's office or change its responsibilities or administrative functions;
- concern the local property tax, appraisal districts or tax assessor/collectors;
- relate to any state tax or fee or amend the tax code;
- affect state revenue;
- create a new state agency or move a function from one agency to another;
- affect the receipt of federal funds;
- concern state-issued bonds;
- relate to state employee or higher education employee compensation or benefits (except bills affecting only pension funds themselves);
- concern state reimbursement to another entity;
- relate to the creation of courts, changes in court costs or fees or any changes to judges' salaries, expenses, etc.;
- concern the lottery; or
- move state property from one entity to another.

In addition, the Comptroller's office assists with some bills affecting local governments.

Source: Legislative Budget Board

CONTINUED ON PAGE 10

Certifying the Legislature's budget at the end of the legislative session is one of the Comptroller's core responsibilities.

"Our response time changes as the session goes on," she says. "Sometimes we're given several days' notice before a fiscal note is due to the LBB. At other times, LBB needs our response the same day. We can't miss a deadline, since a fiscal note is required before a bill can be heard in committee or on a chamber's floor."

As with LBB analysts, Wetherbee says Comptroller analysts rely on a wide array of information sources to craft their estimates.

"It all depends on the bill and the kind of fiscal note," she says. "For example, we'll contact an agency to get information such as the types and numbers of fees it collects. Our analysts also research and use their own models, look at past trends and pull information from all the databases we have in our mainframe. It could take

an analyst 30 minutes or a few hours to do the research required."

After a Revenue Estimating analyst has completed an assignment, the fiscal note draft is sent to Wetherbee, who starts the approval process. The fiscal note draft is sent to multiple people for review; the Comptroller's chief revenue estimator has the final sign-off before Wetherbee inputs the estimate into LBB's electronic system.

ADDING IT UP

Certifying the Legislature's budget at the end of the legislative session is one of the Comptroller's core responsibilities. When the agency does this, it refers to fiscal notes to ensure the Legislature didn't overspend or reduce revenue to an extent that would leave too little money to fund the budget.

"Fiscal notes ensure legislators have the best information available to them as they weigh various bills," says Comptroller Hegar. "But they aren't just for political leaders. By clearly showing the financial impacts at stake, they ensure transparency in the legislative process. They help members of the public keep a close eye on what their elected officials are proposing — and the process gives them a chance to weigh in." **FN**



Texas Comptroller Glenn Hegar certifies the Legislature's budget for the 2016-17 biennium, June 9, 2015.

State Revenue Watch

This table presents data on net state revenue collections by source. It includes most recent monthly collections, year-to-date (YTD) totals for the current fiscal year and a comparison of current YTD totals with those in the equivalent period of the previous fiscal year.

These numbers were current at press time. For the most current data as well as downloadable files, visit comptroller.texas.gov/transparency.

Note: Texas' fiscal year begins on Sept. 1 and ends on Aug. 31.

NET STATE REVENUE — All Funds Excluding Trust

(AMOUNTS IN THOUSANDS)

Monthly and Year-to-Date Collections: Percent Change From Previous Year

Tax Collections by Major Tax	NOVEMBER 2016	YEAR TO DATE: TOTAL	YEAR TO DATE: CHANGE FROM PREVIOUS YEAR
SALES TAX	\$2,506,019	\$6,939,443	-2.22%
PERCENT CHANGE FROM NOVEMBER 2015	-2.94%		
MOTOR VEHICLE SALES AND RENTAL TAXES	380,207	1,172,026	-1.14%
PERCENT CHANGE FROM NOVEMBER 2015	7.26%		
MOTOR FUEL TAXES	303,143	895,738	0.02%
PERCENT CHANGE FROM NOVEMBER 2015	2.79%		
FRANCHISE TAX	-25,956	-121,054	200.38%
PERCENT CHANGE FROM NOVEMBER 2015	-348.24%		
INSURANCE TAXES	18,707	51,678	-3.59%
PERCENT CHANGE FROM NOVEMBER 2015	4.64%		
NATURAL GAS PRODUCTION TAX	72,210	217,631	-5.73%
PERCENT CHANGE FROM NOVEMBER 2015	-12.66%		
CIGARETTE AND TOBACCO TAXES	128,900	369,945	19.39%
PERCENT CHANGE FROM NOVEMBER 2015	-4.45%		
ALCOHOLIC BEVERAGES TAXES	99,945	294,918	2.45%
PERCENT CHANGE FROM NOVEMBER 2015	-14.89%		
OIL PRODUCTION AND REGULATION TAXES	181,295	475,695	-2.47%
PERCENT CHANGE FROM NOVEMBER 2015	9.62%		
UTILITY TAXES¹	26,284	112,593	-3.96%
PERCENT CHANGE FROM NOVEMBER 2015	-40.88%		
HOTEL OCCUPANCY TAX	48,112	132,635	-0.32%
PERCENT CHANGE FROM NOVEMBER 2015	-2.80%		
OTHER TAXES²	12,212	32,449	-11.62%
PERCENT CHANGE FROM NOVEMBER 2015	-32.03%		
TOTAL TAX COLLECTIONS	\$3,751,078	\$10,573,697	-2.05%
PERCENT CHANGE FROM NOVEMBER 2015	-3.12%		
Revenue By Source	NOVEMBER 2016	YEAR TO DATE: TOTAL	YEAR TO DATE: CHANGE FROM PREVIOUS YEAR
TOTAL TAX COLLECTIONS	\$3,751,078	\$10,573,697	-2.05%
PERCENT CHANGE FROM NOVEMBER 2015	-3.12%		
FEDERAL INCOME	3,483,482	9,890,883	1.44%
PERCENT CHANGE FROM NOVEMBER 2015	8.69%		
LICENSES, FEES, FINES AND PENALTIES	838,097	2,876,044	3.20%
PERCENT CHANGE FROM NOVEMBER 2015	4.64%		
INTEREST AND INVESTMENT INCOME	49,274	154,982	37.53%
PERCENT CHANGE FROM NOVEMBER 2015	-6.93%		
NET LOTTERY PROCEEDS³	190,059	466,779	0.87%
PERCENT CHANGE FROM NOVEMBER 2015	32.68%		
SALES OF GOODS AND SERVICES	18,360	64,508	-9.63%
PERCENT CHANGE FROM NOVEMBER 2015	-7.87%		
SETTLEMENTS OF CLAIMS	3,123	8,129	-35.11%
PERCENT CHANGE FROM NOVEMBER 2015	28.57%		
LAND INCOME	110,758	352,834	32.76%
PERCENT CHANGE FROM NOVEMBER 2015	60.48%		
CONTRIBUTIONS TO EMPLOYEE BENEFITS	747	22	71.71%
PERCENT CHANGE FROM NOVEMBER 2015	15909.45%		
OTHER REVENUE	181,161	1,068,921	4.92%
PERCENT CHANGE FROM NOVEMBER 2015	-16.78%		
TOTAL NET REVENUE	\$8,626,138	\$25,456,798	0.71%
PERCENT CHANGE FROM NOVEMBER 2015	2.90%		

¹ Includes public utility gross receipts assessment, gas, electric and water utility taxes and gas utility pipeline tax.

² Includes the cement and sulphur taxes and other occupation and gross receipts taxes not separately identified.

³ Gross sales less retailer commissions and the smaller prizes paid by retailers.

Note: Totals may not add due to rounding.



FISCAL NOTES

Texas Comptroller of Public Accounts
Communications and Information Services Division
111 E. 17th St., Suite 301, Austin, TX 78774-0100

FIRST-CLASS MAIL
PRESORTED
US POSTAGE PAID
AUSTIN TX
PERMIT NO. 1411

GLENN HEGAR

Texas Comptroller of Public Accounts

Fiscal Notes is one of the ways the Comptroller's office strives to assist taxpayers and the people of Texas. The newsletter is a by-product of the Comptroller's constitutional responsibilities to monitor the state's economy and to estimate state government revenues.

Fiscal Notes also provides a periodic summary of the financial statements for the state of Texas.

Articles and analysis appearing in *Fiscal Notes* do not necessarily represent the policy or endorsement of the Texas Comptroller of Public Accounts.

Space is devoted to a wide variety of topics of Texas interest and general government concern.

Fiscal Notes is not copyrighted and may be reproduced. The Texas Comptroller of Public Accounts would appreciate credit for material used and a copy of the reprint.

FIELD OFFICES

Find a list of all Comptroller field offices at comptroller.texas.gov/about/contact/locations.php.

ONLINE SUBSCRIPTIONS, RENEWALS OR CANCELLATIONS of *Fiscal Notes* may be entered at comptroller.texas.gov/economy/fiscal-notes
Send questions or comments to fiscal.notes@cpa.texas.gov
Fax: 512-463-4226 or 800-252-3620

HOW TO REACH US

Contact the Communications and Information Services Division at 512-463-4900 or 800-531-5441, ext. 3-4900 (VOICE), 512-463-4226 (FAX).

OR WRITE *Fiscal Notes*, Texas Comptroller of Public Accounts
Communications and Information Services Division
111 E. 17th St., Suite 301, Austin, TX 78774-0100

In compliance with the Americans with Disabilities Act, this document is available in a reader-friendly format at comptroller.texas.gov/economy/fiscal-notes.

Texas Comptroller of Public Accounts
Publication #96-369,

December 2016- January 2017