



ATTORNEY GENERAL OF TEXAS
GREG ABBOTT

August 10, 2005

To All Bond Counsel:

Re: Statutory Fee Increase

As most of you are aware, the Legislature this year passed Senate Bill 495, which amended Chapter 1202 of the Texas Government Code, relating to the examination fees charged for Attorney General review and approval of public securities and credit agreements.

Instead of the tiered structure currently in place, the amended Section 1202.004 provides for a fee equal to one-tenth of one percent of the principal amount of the public security to which the record of proceedings relates or \$9,500, whichever is less; provided, the fee shall not be less than \$750. If the record of proceedings includes multiple series, a separate fee must be calculated and paid for each series. If the record of proceedings includes authorization of a credit agreement, but does not also include the authorization of a public security, the fee is calculated based on the principal amount of the public security or public securities to which the credit agreement relates.

The fee may be rounded to the nearest whole dollar. If the principal amount of the public security has not been finalized at the time a record of proceedings is submitted for review, the fee will be calculated and paid based on the maximum principal amount authorized.

The amendment is effective for all records of proceedings submitted on or after September 1, 2005. Please be advised that any transcript submitted prior to September 1, 2005, with a closing date after September 21, 2005, must be substantially complete; pro forma transcripts will not be accepted.

We recognize that questions will arise as we all transition to the new fee structure. We will endeavor to promptly address each question. Thank you in advance for your cooperation.

Sincerely,

T. Lynn Stuck
Assistant Attorney General
Chief, Public Finance Division

TLs:dfh