

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION**

**April 1, 2003**

**TO:** Honorable Jim Keffer, Chair, House Committee on Economic Development

**FROM:** John Keel, Director, Legislative Budget Board

**IN RE: HB2912** by Homer (Relating to industrial development corporations.), **As Introduced**

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

The bill would modify the types of projects an industrial development corporation (corporation) could undertake. Under current law, a corporation can lease authorized projects to a nonexempt entity and that project is exempt from ad valorem, sales, and use taxes or any other taxes levied or imposed by this state or any political subdivision of the state. Since the bill would change the types of authorized projects, it could impact the amount of taxable property values and the related ad valorem taxes as well as other taxes.

Section 403.302 of the Government Code requires the Comptroller to conduct a property value study to determine the total taxable value for each school district. Total taxable value is an element in the state's school funding formula. Passage of this bill could cause a change in school district taxable values reported to the Commissioner of Education by the Comptroller and a change in state costs to the Foundation School Fund.

**Local Government Impact**

Since the bill would change the types of authorized projects, it could impact the amount of taxable property values and the related ad valorem taxes as well as other taxes collected by units of local government.

**Source Agencies:** 304 Comptroller of Public Accounts, 480 Texas Department of Economic Development

**LBB Staff:** JK, JRO, WP, DLBe, KG