

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 11, 2003

TO: Honorable Fred Hill, Chair, House Committee on Local Government Ways and Means

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB3075 by West, George "Buddy" (Relating to local agreements to allow certain development corporations and taxing units to invest in and receive tax revenues from certain regional economic development projects.), **Committee Report 1st House, Substituted**

No fiscal implication to the State is anticipated.

The bill would allow city development corporations (corporation) created under Section 4A of the Development Corporation Act of 1979, and local taxing units, other than school districts, to enter into agreements to undertake projects and share subsequent tax revenue where the project would not be located within the boundaries of the developments corporation's city.

Local Government Impact

The bill would provide a means of tax revenue sharing from projects created between taxing units, such as the city and county where the project would be located, and the city and county where the corporation could then participate in the funding of a project located in another city/county. The taxing units where the project would be located could enter into an agreement with the corporation and the taxing units from the corporation's city/county to share future tax revenue generated by the project, up to the original amount of investment made. Passage of this bill may change the distribution of local tax revenue. However, no significant fiscal impact to units of local government is anticipated.

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

LBB Staff: JK, SD, WP, DLBe, KG