

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

May 8, 2003

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

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB3549 by Keffer, Jim (relating to the establishment, operation, and funding of the Texas Economic Development Bank and to the administration and operation of the product development, small business incubator, and enterprise zone programs.), **Committee Report 1st House, Substituted**

This bill would establish the Texas Economic Development Bank (Bank) and the Texas Economic Development Bank Fund (Fund) to provide state incentives to expanding Texas businesses and businesses relocating to Texas and to ensure that communities and business in this state have access to capital for economic development purposes. The Bank would have responsibility for the capital access program, the Texas leverage fund, the linked deposit program, the enterprise zone program, the industrial revenue bond program, the defense economic readjustment zone program, the empowerment zone and enterprise community program, and the renewal community program. The bill would also transfer the small business incubator fund from the Comptroller to the Texas Department of Economic Development or its successor. Currently, all of the programs addressed by the bill exist.

The bill would also amend the Texas Enterprise Zone Act. The bill would extend privileges which are currently only provided to qualified businesses within an enterprise zone to businesses outside an enterprise zone with at least 35 percent of new employees that are residents of any enterprise zone in the state or that are economically disadvantaged. This provision could significantly increase the number of businesses that are eligible for enterprise zone privileges.

Local Government Impact

The bill could significantly increase the number of businesses that are eligible for enterprise zone privileges.

Source Agencies: 480 Texas Department of Economic Development

LBB Staff: JK, JRO, WP, DLBe