

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

May 8, 2003

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

FROM: John Keel, Director, Legislative Budget Board

IN RE: SB1565 by Madla (Relating to allowing a municipality to create a defense adjustment management authority; authorizing taxes and bonds.), **Committee Report 2nd House, Substituted**

No fiscal implication to the State is anticipated.

The bill would authorize a municipality to create a defense adjustment management authority in an area that is in the same county as a certain military installation or facility that is closed or realigned under the Defense Base Closure and Realignment Act of 1990 and its subsequent amendments. The municipality would be required to hold two public hearings to consider creating the authority and would be required to publish notice of the public hearings for at least seven days before each hearing.

The powers and structure of the authority are defined in the bill and include allowing the authority to issue bonds, but only with prior approval of the governing body of the municipality that created the authority. Additionally, until the authority's master plan is approved by the creating municipality, the municipality would not be allowed to exercise the powers granted under Chapters 311 or 312, Tax Code, and a county making appointments to the authority's board of directors may not exercise the powers granted under Chapter 312. If a majority of the qualified voters of the authority were to approve at an election, the authority could impose a sales and use tax to support or finance certain projects. The authority would also be allowed to enter into regional development agreements.

The bill would take effect immediately if it receives a vote of two-thirds in each house; otherwise, it would take effect September 1, 2003.

The criteria within the bill currently applies only to the City of San Antonio.

Local Government Impact

Because the bill would not have statewide impact on units of local government of the same type or class, no comment from this office is required by the rules of the House/Senate as to its probable fiscal implication on units of local government.

Source Agencies:

LBB Staff: JK, SD, WK, DLBa