

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

March 29, 2005

TO: Honorable Allan Ritter, Chair, House Committee on Economic Development

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: HB1499 by Phillips (Relating to the definition of certain terms in the Texas Economic Development Act.), **As Introduced**

The bill would amend the Texas Economic Development Act to add a definition of "strategic investment area county," a new term that would trigger a reduction in the current job requirements for applicants under the act.

The bill would revise the current requirement that a qualifying job pay at least 80 percent of the premiums or other charges assessed for employee group health benefit plans to 50 percent for jobs located in strategic investment area counties.

The bill would remove the current requirement for jobs located in strategic investment areas that a qualifying job pay at least 110 percent of the county average weekly wage for manufacturing jobs. Currently, "group health benefit plan" is defined for the purpose of the health coverage requirement in the Texas Economic Development Act by reference to Section 481.151 of the Government Code. The bill would redefine this term in a new subsection.

Since the bill would make it easier for applicants under the Texas Economic Development Act to comply with the act's job requirements, it could reduce the amount of taxable property values and the related ad valorem 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 reduction in the school district taxable values reported to the Commissioner of Education by the Comptroller and an increase in costs to the Foundation School Fund.

Local Government Impact

Since the bill would make it easier for applicants under the Texas Economic Development Act to comply with the act's job requirements, it could reduce the amount of taxable property values and the related ad valorem taxes collected by units of local government.

Source Agencies: 304 Comptroller of Public Accounts, 327 Employees Retirement System, 454 Department of Insurance

LBB Staff: JOB, JRO, WP, DLBe