

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

May 19, 2005

TO: Honorable Tom Craddick, Speaker of the House, House of Representatives

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

IN RE: HB1938 by Ritter (Relating to the award of a grant and reporting requirements under the Texas Enterprise Fund.), **As Passed 2nd House**

No significant fiscal implication to the State is anticipated.

The bill requires the governor, when entering into an agreement with Texas Enterprise Fund grant recipients, to specify that if the grant recipient does not meet each of the performance targets specified in the agreement, the recipient is required to repay the grant and any related interest and cannot receive any grant money that remains to be awarded under the agreement. In addition, the recipient may be assessed specified penalties by the governor. The bill requires the grant recipient to submit to the governor, lieutenant governor, and speaker of the house of representatives an annual progress report regarding performance targets specified in the agreement.

The bill requires the governor to submit a report before the beginning of each regular session of the legislature to the lieutenant governor, the speaker of the house of representatives, and each other member of the legislature on Texas Enterprise Fund grants.

The bill requires that before a Texas Enterprise Fund grant is awarded, the Texas Economic Development and Tourism Office will prepare a statement detailing the direct and indirect economic impact that approval of the grant will have on Texas residents.

The bill adds additional subsections relating to grant terms and conditions.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 300 Trusteed Programs Within the Office of the Governor, 304 Comptroller of Public Accounts

LBB Staff: JOB, SD, JRO, SMi