

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

May 3, 2005

TO: Honorable Eliot Shapleigh, Chair, Senate Committee on S/C on Base Realignment and Closure

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

IN RE: HB2340 by Corte (Relating to grants and loans for certain economic development projects to assist defense communities affected by the federal military base realignment and closure process.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

The bill authorizes the Military Preparedness Commission to use the Texas Military Value Revolving Loan Account to provide loans to defense communities for economic development projects that minimize the negative effects of a defense base reduction on the defense community or for an infrastructure project to accommodate new or expanded military missions as a result of the federal base realignment process. The bill also directs the awarding of defense economic assistance grants.

The bill repeals Section 2.03, Chapter 1134, Acts of the 77th Legislature, Regular Session 2001. This repeal would continue to permit a deduction from taxable capital under the franchise tax for defense readjustment projects.

Local Government Impact

The fiscal impact to defense-dependent communities would depend on the funds available for loans or grants, the number of communities that applied, and the number of communities that were awarded loans or grants.

Source Agencies:

LBB Staff: JOB, KJG, MS, SMi