

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

May 9, 2005

TO: Honorable John Carona, Chair, Senate Committee on S/C on Emerging Technologies & Economic Dev.

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

IN RE: HB2928 by Kolkhorst (Relating to projects that may be undertaken by certain development corporations with respect to business enterprises or business development.), **As Engrossed**

No fiscal implication to the State is anticipated.

The bill would amend Section 2 (11), Development Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil Statutes), relating to the projects that may be undertaken by or supported by the tax proceeds of certain development corporations. The bill would amend the definition of projects to include: sewer utilities, site improvements, beach remediation along the Gulf of Mexico, and economic revitalization or improvement of blighted areas.

The bill would also amend Section 4B of the Development Corporation Act of 1979 and allow 4B economic development corporations created in an eligible city with a population of 20,000 or less to apply tax proceeds for projects that include the land, buildings, equipment, facilities, expenditures, targeted infrastructure, and other improvements to promote new or expanded business development.

While the number of development corporations created by counties and cities statewide is unknown, city corporations created under Sections 4A and 4B of the Act are required to file an annual report with the Comptroller of Public Accounts. It is unknown, however, how many eligible development corporations would elect to undertake sewer utilities projects, site improvement projects, beach remediation projects, or projects related to the economic revitalization or improvement of a blighted area.

The act would take effect September 1, 2005.

Local Government Impact

The fiscal impact to local governments cannot be determined.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, JRO, WP, EB