

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

April 15, 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: SB638 by Barrientos (Relating to the award of a grant and reporting requirements under the Texas Enterprise Fund.), **As Introduced**

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 job creation, wage level, and 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.

The bill provides that the grant agreement may include a provision that a reasonable percentage of the total amount of the grant will be withheld until the recipient meets specified job creation, wage level, and performance targets.

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 the residents of this state.

The bill requires the governor, before September 1 of each year, to submit to the lieutenant governor, the speaker of the house of representatives, and each other member of the legislature a report on Texas Enterprise Fund grants.

Local Government Impact

No 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, JRO, SMi