

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

April 11, 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: SB1639 by Nelson (Relating to a project that may be undertaken by a certain development corporation in connection with the promotion or development of new or expanded business enterprises.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend the Development Corporation Act of 1979 (the Act) found in Article 5190.6, Vernon's Texas Civil Statutes. The bill would amend the definition of an eligible project to add sanitary sewer utilities; thus allowing local economic development corporations to undertake a wider range of projects related to the providing of infrastructure for business development.

House Bill 2912 from the 2003 Legislature made numerous changes to the Act. Though HB 2912 included a provision for infrastructure necessary to promote new or expanded business development, it did not include sanitary sewer utilities. 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. For fiscal 2004, there were 517 cities with a 4A and/or 4B development corporation(s). It is unknown, however, how many development corporations would elect to undertake business development infrastructure projects designed to provide sanitary sewer utilities.

The bill would take effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If it does not receive the vote necessary for immediate effect, this bill would take effect September 1, 2005.

Local Government Impact

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

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, JRO, WP, EB