

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 16, 2007

TO: Honorable Royce West, Chair, Senate Committee on Intergovernmental Relations

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

IN RE: HB470 by Rodriguez (Relating to the creation, operation, management, and programs of homestead preservation districts.), **As Engrossed**

No fiscal implication to the State is anticipated.

The bill would amend Chapter 373A, Local Government Code, to extend applicability of the chapter to a political subdivision with jurisdiction over territory that is also part of a municipality as described in current statute: having a population of more than 650,000 that is located in a uniform state service region with fewer than 550,000 occupied housing units as determined by the most recent U.S. decennial census. The bill would also add authorization for a municipality to dissolve a homestead preservation district, would make changes to the statute for creating a district, and would establish specific criteria for a municipality to establish a reinvestment zone within the boundaries of a homestead preservation district.

The bill would add Sections 373A.1521 and 373A.1522 regarding the contents and effective date of a reinvestment zone ordinance. Section 373A.1541 would be added to designate as a reinvestment zone for tax increment financing under Chapter 311, Tax Code an area designated as a homestead preservation reinvestment zone. The municipality and county containing the greatest portion of the reinvestment zone would be required to pay equal amounts into the tax increment fund for the zone. The bill would repeal statutes that require other taxing units to pay into the tax increment fund and would repeal statutes that would result in changing reporting requirements by the municipality.

Local Government Impact

The applicability criteria fits the City of Austin and Travis County only. Because the bill would not have statewide impact on units of local government of the same type or class, no comment from this office is required by the rules of the House/Senate as to its probable fiscal implication on units of local government.

Source Agencies: 332 Department of Housing and Community Affairs

LBB Staff: JOB, DB