

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

March 26, 2007

TO: Honorable Helen Giddings, Chair, House Committee on Business & Industry

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

IN RE: HB2092 by Hill (Relating to the designation of an area in a municipality as a reinvestment zone under the Tax Increment Financing Act.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend Section 311.005 of the Tax Code to add new criteria for reinvestment zone designation.

The bill would allow the governing body of a municipality to designate land that includes existing or proposed regional commuter or mass transit rail systems as reinvestment zones if the governing body determines that the area is unproductive, underdeveloped or blighted.

The fiscal implications of this bill would depend on the actions of local officials. They can reasonably be expected to use this expanded authority to create tax increment financing zones only when they believe it would result in long term net increases in revenues. However, since any actions taken under the expanded authority would be solely dependent on the discretion of local officials, the fiscal impact on the state and units of local government cannot be determined.

This bill would take effect immediately upon enactment, assuming that it received the requisite two-thirds majority votes in both houses of the Legislature. Otherwise, it would take effect September 1, 2007.

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, SD, SJS