

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 16, 2007

TO: Honorable Troy Fraser, Chair, Senate Committee on Business & Commerce

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

IN RE: HB3268 by Eiland (Relating to the authority of voters of certain municipalities to extend or change the purposes of a sales and use tax for certain economic development corporations.),
As Engrossed

<p>It is unknown which cities, if any, would impose a change in the sales and use tax; therefore, fiscal impact to the state cannot be determined.</p>
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The bill would amend Section 4B of the Development Corporation Act of 1979 to allow voters of a city that has imposed a sales and use tax for an economic development corporation to vote on a ballot proposition that would limit the length of time the sales tax could be imposed, that would reimpose or extend the period of the sales tax's imposition, or that would limit the use of sales tax revenue to a specific project.

The bill would take effect immediately if it were to receive the required two-thirds vote in each house of the legislature; otherwise, it would take effect September 1, 2007.

Local Government Impact

The fiscal impact would vary depending on whether a city holds an election and the outcome of the election. At a minimum, a city could incur election costs. The impact on sales and use taxes would depend on the decision of the voters.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, JRO, CT, DB