FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 24, 2007

TO: Honorable Tom Craddick, Speaker of the House, House of Representatives

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

IN RE: **HB3440** by Parker (Relating to projects that may be undertaken by development corporations for the development, retention, or expansion of certain airport facilities.), **As Passed 2nd House**

No fiscal implication to the State is anticipated.

The bill would amend the Development Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil Statutes) relating to projects that may be undertaken by development corporations for the development, retention, or expansion of certain airport facilities.

The bill would expand the types of projects that economic development corporations, created under Section 4B, may participate in to include hangers, airport maintenance and repair facilities, air cargo facilities, and related infrastructure located on or adjacent to an airport facility. The bill would allow a 4B economic development corporation to undertake such a project if it entered into a development agreement with an entity that acquired a leasehold or other possessory interest from the corporation and was authorized to sublease the entity's interest for other projects.

The bill would clarify that programs such as grants, loans, expenditures, and tax exemptions authorized under the Development Corporation Act should be considered as a loan or grant under Section 52-a, Article III, Texas Constitution.

The bill would take effect immediately upon enactment if it receives two-thirds vote in each house; otherwise, it would take effect September 1, 2007.

Local Government Impact

According to the Comptroller of Public Accounts, the fiscal impact on units of local government cannot be estimated as the number of corporations that would choose to participate in the newly allowed projects is unknown.

Source Agencies: 301 Office of the Governor, 304 Comptroller of Public Accounts
LBB Staff: JOB, JRO, SD, EB