

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 21, 2009

TO: Honorable Chris Harris, Chair, Senate Committee on Economic Development

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

IN RE: HB1277 by Button (Relating to the Texas Enterprise Fund, including the use of money from the fund, the terms of a grant agreement, and the duties of a grant recipient or entity that acquires a grant recipient.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

The bill would amend the uses of the Texas Enterprise Fund to include incentives to retain businesses located in Texas that are considering relocating outside the state if the Texas unemployment rate is seven percent or more. The bill would require grant recipients to include language in each transfer of control or ownership contract that would require the Governor to be notified of the change and would require compliance with the original grant recipient agreement. The bill would also require grant recipients to provide a health benefit plan to its employees involved with the contract. The bill would only affect contracts entered into after the effective date of this bill. Section 2 of the bill would be effective September 1, 2011 and all the remaining sections would be effective September 1, 2009.

Local Government Impact

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

Source Agencies: 301 Office of the Governor

LBB Staff: JOB, JRO, BTA