

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION**

**May 25, 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. ), **Committee Report 2nd House, Substituted**

<b>No significant fiscal implication to the State is anticipated.</b>
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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 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