

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 15, 2009

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

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

IN RE: HB1770 by Miklos (Relating to the designation of an area as a reinvestment zone under the Tax Increment Financing Act.), **As Engrossed**

No fiscal implication to the State is anticipated.

The bill would authorize a municipality by ordinance to designate a noncontiguous geographic area that is in the corporate limits of the municipality, in the extraterritorial jurisdiction (ETJ) of the municipality, or in both to be a reinvestment zone. An area that is wholly or partly located in the municipality's ETJ would not be affected by a subsequent annexation by the municipality of real property in the reinvestment zone.

Under current statute, only a contiguous geographic area may be designated as part of the reinvestment zone.

Local Government Impact

It is assumed that a municipality would add applicable noncontiguous areas to a reinvestment zone only if the municipality considered the designation to have a positive benefit. The fiscal impact would vary by municipality.

Source Agencies:

LBB Staff: JOB, JRO, MN, DB