

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

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

**April 29, 2009**

**TO:** Honorable Frank Corte Jr., Chair, House Committee on Defense & Veterans' Affairs

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

**IN RE: HB2252** by Hunter (relating to grants for local areas adversely affected by a reduction in defense-related activity.), **Committee Report 1st House, Substituted**

**No significant fiscal implication to the State is anticipated.**

The bill would require the Texas Military Preparedness Commission to give preference to defense communities with a population of less than 2,000 when awarding grants. The bill would also allow grants to be used to offset tax or utility revenue losses.

**Local Government Impact**

The bill would permit the Texas Military Preparedness Commission to give preference for awarding grants to defense communities with a population of less than 20,000 that are adversely affected by a reduction in defense related activity. A local governmental entity awarded a grant would be permitted to match the money or investment requirement to respond to or recover from a base closure or alignment, match the contribution for purposes defined by Section 486.005, Government Code, plan or construct infrastructure, or offset tax or utility revenue lost from a base closure or realignment.

The bill could result in a significant positive fiscal impact to a local governmental entity that is awarded an assistance grant to recover from the losses resulting from a base closure or realignment.

**Source Agencies:** 301 Office of the Governor

**LBB Staff:** JOB, KK, MS, BTA, TP