

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

March 24, 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.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would require the Texas Military Preparedness Commission to give preference to defense community municipalities 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 municipalities that are adversely affected defense communities with a population of less than 20,000. 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