

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 5, 2009

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

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

IN RE: SB1311 by Duncan (Relating to the authority of the commissioners court of a county to enter into an ad valorem tax abatement agreement with certain property owners.), **As Introduced**

No fiscal implication to the State is anticipated.

The bill would amend Chapter 312, Tax Code, to authorize a county commissioners court to execute a tax abatement agreement with a lessee of taxable real property located in a reinvestment zone designated under Subchapter C of Chapter 312 to exempt from taxation all or a portion of the value of fixtures, improvements, other real property owned by the lessee and located on the property that is the subject of the lease, and tangible personal property owned by the lessee and located on the leased real property.

Local Government Impact

The fiscal impact to a county would depend on the terms of the tax abatement agreement. It is assumed that a county commissioners court would execute a tax abatement agreement only if the fiscal impact could be absorbed within existing resources.

Source Agencies:

LBB Staff: JOB, JRO, DB