

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION**

**May 28, 2011**

**TO:** Honorable David Dewhurst, Lieutenant Governor, Senate  
Honorable Joe Straus, Speaker of the House, House of Representatives

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

**IN RE: HB1400** by Elkins (Relating to public improvement districts designated by a municipality or county. ), **Conference Committee Report**

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

The bill would amend Chapter 372 of the Local Government Code relating to the boundaries and financing of public improvement districts (PIDs).

The bill would authorize payment of expenses to include expenses related to the operation and maintenance of mass transportation facilities.

The bill would add Section 372.0035 to Subchapter A that would apply only to a municipality that has a population of more than one million and a council-manager form of government and that is located wholly or partly in a county with a population of more than two million; and a public improvement district established under this subchapter and solely composed of territory in which the only businesses are hotels.

The bill would require the governing body of a municipality or a county to estimate the appraised value of taxable real property liable for assessment in the district and the cost of the improvement before holding a hearing for a proposed improvement under Section 372.005 that includes a deferred assessment.

**Local Government Impact**

According to the City of Grand Prairie, the city recently researched the use of deferred assessments for PIDS. The city found the costs of software too high and the revenue generated would not be sufficient to cover costs for providing services for developments.

**Source Agencies:**

**LBB Staff:** JOB, KKR, TP