

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION
Revision 1

April 25, 2011

TO: Honorable Harvey Hilderbran, Chair, House Committee on Ways & Means

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

IN RE: HB3097 by Kolthorst (Relating to the responsibilities of the comptroller and school districts in the implementation of the Texas Economic Development Act.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3097, As Introduced: an impact of \$0 through the biennium ending August 31, 2013.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2012	\$0
2013	\$0
2014	\$0
2015	\$0
2016	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	Probable Revenue Gain/(Loss) from <i>General Revenue Fund</i> 1
2012	(\$609,000)	\$609,000
2013	(\$592,000)	\$592,000
2014	(\$592,000)	\$592,000
2015	(\$449,000)	\$449,000
2016	(\$293,000)	\$293,000

Fiscal Year	Change in Number of State Employees from FY 2011
2012	6.0
2013	6.0
2014	6.0
2015	4.0
2016	2.0

Fiscal Analysis

The bill would partially implement recommendations in the report, "Improve the Administration of the Texas Economic Development Act" in the Legislative Budget Board's *Government Effectiveness and Efficiency Report* submitted to the Eighty-second Texas Legislature, 2011.

The bill would provide that the Comptroller of Public Accounts (CPA), rather than school districts, would be a party to agreements for value limitation under the Texas Economic Development Act. The bill would also transfer fee authority from school districts to the CPA for the administration of the Texas Economic Development Act.

Methodology

The shift of Texas Economic Development Act responsibilities and duties from school districts to the CPA throughout the bill would increase the Comptroller's administrative costs related to future agreements. The CPA estimates the administrative cost associated with the bill would include hiring 6 FTEs in fiscal year 2012 to handle duties associated with calculation, collection, application processing, and delivery of revenue protection funds for school districts, diminishing to 2 FTEs in fiscal year 2016 due to the expiration of the program. It is assumed that costs associated with the bill would be offset by fee revenue collected from applicants to the program.

Local Government Impact

Administrative costs for participating school districts may decrease as a result of the shift of Texas Economic Development Act responsibilities and duties from school districts to the CPA.

Source Agencies: 304 Comptroller of Public Accounts, 701 Central Education Agency

LBB Staff: JOB, KK, JI, JJ