

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

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

**May 18, 2011**

**TO:** Honorable Joe Straus, Speaker of the House, House of Representatives

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

**IN RE: HB3302** by Reynolds (Relating to the authority of certain Type A economic development corporations to undertake certain categories of projects. ), **As Passed 2nd House**

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

The bill would amend Section 504.103(a) of the Local Government Code to prohibit a Type A corporation from undertaking a project for the primary purpose of providing a solid waste disposal or sewage facility; a public water facility; or an air or water pollution control facility, except as provided by this section.

The bill would authorize certain Type A corporations to undertake any project a Type B corporation is authorized to undertake. The authorizing municipality would have the ability to revoke the distinction for an individual corporation. The provisions of the bill would apply only to a city with a population of 7,500 or less that has adopted both the 4A and 4B corporations.

**Local Government Impact**

The Texas Municipal League (TML) reported that under current law, cities can adopt, by election, either 4A or 4B Economic Development Corporations (corporation). The types of projects that can be undertaken by a 4B corporation are broader than those of a 4A corporation and under the provisions of the bill, a 4A corporation would be authorized to undertake the same projects as a 4B corporation. The fiscal impact to cities is not anticipated to be significant.

**Source Agencies:**

**LBB Staff:** JOB, AG, TP