

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

April 4, 2011

TO: Honorable John Davis, Chair, House Committee on Economic & Small Business Development

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 Introduced**

No fiscal implication to the State is anticipated.

The bill would amend the Local Government Code to 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