

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 24, 2013

TO: Honorable Harold V. Dutton, Jr., Chair, House Committee on Urban Affairs

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB3350** by Rodriguez, Eddie (Relating to homestead preservation districts and reinvestment zones.), **As Introduced**

<p>No fiscal implication to the State is anticipated.</p>
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The bill would amend Chapter 373A of the Local Government Code relating to Homestead Preservation Districts and Reinvestment Zones and would authorize the governing body of a municipality to designate an eligible area as a homestead preservation district (district) to promote the rental of affordable housing and the prevention of the involuntary loss of homesteads by renters. The bill would increase the limit on the number of residents of a district from 25,000 to 75,000; and would remove certain provisions regarding a district's eligibility requirements.

The bill would authorize a county to participate in a homestead preservation reinvestment zone established by a municipality by adopting a final order. A county would be required to pay an amount equal to the tax increment paid by the municipality into the tax increment fund for the zone.

The Comptroller of Public Accounts (CPA) indicated the bill would have no state revenue implications and no effect on the state's cash flow.

The bill would take effect September 1, 2013.

Local Government Impact

According to the analysis by CPA, the bill would expand the potential size and locations of areas that may be designated as homestead preservation districts and reinvestment zones, but any fiscal implications for units of local government would vary depending on future actions of municipalities and counties to participate. It is assumed that a municipality or a county would participate only if sufficient resources are available.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: UP, KKR, SD, TP