

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 19, 2013

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB3589 by Gutierrez (Relating to the restriction on powers of certain municipalities, relating to the terms that may not be contained in a development agreement, and other restrictions for a reinvestment zone under the Tax Increment Financing Act.), **As Introduced**

No fiscal implication to the State is anticipated.

This bill would amend Chapter 311, Tax Code (the Tax Increment Financing Act).

The bill would take immediate effect if it receives a vote of two-thirds of all members elected to each house of the legislature, otherwise it would take effect September 1, 2013.

Local Government Impact

The bill in part would amend Section 311.087, a Section which does not exist. This summary and fiscal impact assessment will assume the amendment of Section 311.0087, also referenced in the bill.

Section 311.0087, if properly referenced, would be amended to change the county population limitation from 1.5 million to 2.2 million or less.

The bill would prohibit a subject municipality from requiring a petitioner with respect to a reinvestment zone to waive a right to file adversarial proceedings for certain relief or to allow for termination of the zone in the event of certain adversarial action, would void any provisions in a development agreement (again, apparently an erroneous reference) that are prohibited by Section 311.0087(b), and would require that a tax increment fund established pursuant to Section 311.004(a)(6) may only be deposited and maintained in a physically separate depository account and may not be commingled with any other funds of the board or governing body.

The bill as written, contains references to a Section of the Tax Code which does not exist, therefore the bill would have no fiscal impact.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: UP, KK, SD

