

## LEGISLATIVE BUDGET BOARD

Austin, Texas

### FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 25, 2013

**TO:** Honorable Judith Zaffirini, Chair, Senate Committee on Government Organization

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE:** SB403 by Zaffirini (Relating to the establishment of a community development grocery store and healthy corner store revolving loan fund program.), **Committee Report 1st House, Substituted**

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

Among other provisions, the bill would implement recommendations in the report, "Use Public-Private Partnerships to Increase the Number of Grocery Stores in Low-Income Areas," in the Legislative Budget Board's Government Effectiveness and Efficiency Report submitted to the Eighty-Third Texas Legislature, 2013. The bill would create a revolving loan fund, outside the state treasury, to be held at not more than five community development financial institutions (CDFI) on behalf of the Texas Department of Agriculture (TDA) to be used to support revitalization in food deserts, reduce the cost of financing agricultural development projects, and increase the number of food markets providing affordable and nutritious foods in underserved areas.

The fund would be composed of gifts or grants received from public or private sources, and income from other money in the fund. The Texas Department of Agriculture may accept on behalf of the fund gifts and grants for the use and benefit of the program. No later than December 1 of each even-number year TDA, in coordination with the CDFI, shall submit a report to the House Appropriations Committee, the Senate Finance Committee, the Governor, and the Legislative Budget Board containing the number of entities receiving the loans, the repayment rates of the loans, the total amount of money loaned, the amount of commercial square footage of commercial space created, the number of jobs created or retained, the average wages of the jobs created or retained, and the additional property tax revenue gained by local entities. The bill specifies a timeframe for adopting rules to administer the loan fund, designating a CDFI as recipient of the funds, and transfer of the funds to the CDFI.

It is assumed that the bill would not result in a significant fiscal impact to the state because it makes no appropriation and it is assumed that TDA can implement the bill with existing agency resources.

#### **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:**

**LBB Staff:** UP, KJo, GG