

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 26, 2013

TO: Honorable Bob Deuell, Chair, Senate Committee on Economic Development

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB1391 by Davis (Relating to a requirement that the comptroller perform a study of the Texas Economic Development Act.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would require the Comptroller of Public Accounts (Comptroller) to conduct a study of the Texas Economic Development Act (Act) to determine if the Act, as implemented, accomplishes the intended purpose of the Act and if legislative action is necessary to increase the efficiency or effectiveness of any part of the Act. The bill would require the Comptroller to include in the study an in-depth and cumulative review of five energy-related agreements and five manufacturing-related agreements as selected pursuant to results of a risk assessment performed on each agreement entered into under the Act that is active on the effective date of the bill. The bill would authorize the State Auditor's Office to assist the Comptroller in conducting the study, upon the Comptroller's request. The Comptroller would submit the results of the study, as well as any proposed legislation necessary to implement recommendations resulting from the study, to the Governor and Legislature not later than December 1, 2014. The bill would take effect immediately upon receiving a two-thirds majority vote in each house. Otherwise, the bill would take effect September 1, 2013.

The State Auditor's Office indicates that any costs associated with the bill could be absorbed within existing resources. The Comptroller's office estimates there would be a cost associated with implementing the provisions of the bill. It is anticipated that the additional costs could be absorbed within current resources.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 308 State Auditor's Office

LBB Staff: UP, RB, EP, LCO, MW