

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

April 7, 2015

TO: Honorable Tan Parker, Chair, House Committee on Investments & Financial Services

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB1626 by Johnson (Relating to the designation of certain areas as banking development districts to encourage the establishment of financial institution branches in those areas.),
As Introduced

No significant fiscal implication to the State is anticipated.

This bill would amend the Finance Code and Tax Code relating to the designation of certain areas as banking development districts to encourage the establishment of financial institution branches in those areas.

This bill would establish a banking development district program to encourage the establishment of branches of a financial institution in geographic areas where there is a demonstrated need for banking services. The bill would designate any area established as a banking development district as a reinvestment zone for the purposes of Sec. 312.2012 and 312.4012 of the Tax Code. It is assumed that duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

Local Government Impact

There could be costs to a local governmental entity that chooses to create a banking development district. However, it is assumed that a local government would establish a banking development district only if sufficient funds and partnership opportunities were available or it would not result in a negative fiscal impact; therefore, no significant fiscal impact is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 450 Department of Savings and Mortgage Lending, 451 Department of Banking, 466 Office of Consumer Credit Commissioner, 469 Credit Union Department

LBB Staff: UP, CL, NV, JLi, KVe