

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

May 11, 2015

TO: Honorable Dennis Bonnen, Chair, House Committee on Ways & Means

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB1987** by Springer (relating to the authority of the governing body of a school district to waive or reduce the new jobs creation requirement under the Texas Economic Development Act.), **Committee Report 1st House, Substituted**

No fiscal implication to the State is anticipated.

The bill would amend Chapter 313 of the Tax Code, regarding the Texas Economic Development Act, to modify the job waiver provisions of that chapter.

The bill would amend Subsection 313.025(b) to reduce from 90 days to 60 days the time period during which the Comptroller would be required to produce the economic impact evaluation required by Section 313.026.

The bill would amend Section 313.025 to add new Subsection (f-1) to allow a school district to request the Governor's Office to make a jobs waiver recommendation. The bill would require the recommendation of the Governor's Office be based on the Comptroller's economic impact evaluation and any other information available.

The bill would allow a school board to waive or reduce the new jobs creation requirement under the chapter for any reason-if the Governor's office makes such a recommendation. This provision could, for some projects, effectively eliminate the current statutory requirement that a job waiver be granted only if it is determined "that the jobs creation requirement exceeds the industry standard for the number of employees reasonably necessary to the operation of a facility..."

Amending the job waiver provisions of Chapter 313 would not have a direct fiscal impact on the state.

Note: The Comptroller's economic impact evaluation is currently based partially on the number of jobs proposed by the limitation applicant. It is unclear how the Comptroller could produce the economic impact evaluation before receiving the job waiver recommendation of the Governor's Office.

The bill would take effect January 1, 2016.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 701 Central Education Agency
LBB Staff: UP, KK, SD, SJS