

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION**

**April 19, 2017**

**TO:** Honorable Angie Chen Button, Chair, House Committee on Economic & Small Business Development

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

**IN RE: HB671** by Johnson, Eric (Relating to the operation of the capital access program and to transfers to and from the capital access fund.), **As Introduced**

The fiscal implications of the bill cannot be determined at this time for fiscal years 2019-22, as future balances and expenditures are unknown.

However, the estimated gain of \$6,773,000 to the Economic Development Bank in fiscal year 2018 will result in a gain to General Revenue-Related funds used for appropriation certification purposes.

This bill would amend the Government Code relating to the operation of the capital access program and to transfers to and from the capital access fund.

The bill would require the Comptroller to biennially determine (1) an amount equal to 10 percent of the unencumbered balance of General Revenue- Dedicated Texas Enterprise Fund (TEF) Account No. 5107, and to calculate (2) an amount equal to the sum of the unencumbered balance of the Capital Access Fund in General Revenue-Dedicated Economic Development Bank (EDB) Account No. 5106 and the aggregate amount of contributions made by the bank to reserves. The bill would require the Comptroller to transfer from the TEF to the EDB the difference between the amounts calculated in (1) and (2).

The bill would repeal certain transfers from the EDB to the Texas Product Development Fund and the Small Business Incubator Fund.

The Comptroller, no later than on the 30th day of fiscal year 2018, would transfer 10 percent of the unencumbered balance of the TEF as of September 2, 2017, to the EDB for the Capital Access program.

This bill would take effect September 1, 2017.

According to the Comptroller of Public Accounts, based on the 2018-19 Biennial Revenue Estimate and the most recent Governor's Office encumbrances report, this analysis assumes that \$6,773,000 million would be transferred from the TEF to the EDB on September 2, 2017. This amount represents 10 percent of the difference between the projected cash balance in GR-D 5107 (\$226,632,000) and encumbrances, according to the Governor's Office (\$158,900,000).

As there is no information available regarding the fund's future appropriations or expenditures,

impacts for fiscal years 2019-22 cannot be determined.

### **Local Government Impact**

According to the Office of the Governor, if the balance of the Texas Enterprise Fund is reduced, there could be an impact to communities competing for projects with other states and countries.

**Source Agencies:** 300 Trused Programs Within the Office of the Governor, 304 Comptroller of Public Accounts

**LBB Staff:** UP, CL, WP, LBe