

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

April 25, 2017

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB1636** by Schaefer (Relating to authorizing certain general infrastructure projects to be undertaken by economic development corporations.), **As Introduced**

No fiscal implication to the State is anticipated.

This bill would amend the Local Government Code to authorize certain general infrastructure projects to be undertaken by economic development corporations. The bill would expand the categories of projects eligible for funding by the boards of directors of municipally-sponsored economic development corporations to include general infrastructure, limited to the development, improvement, maintenance or expansion of streets and roads, water supply facilities, or sewage facilities.

The bill would require the authorizing municipality of a Type A or Type B economic development corporation to call an election and receive voter approval of a majority of voters in the election prior to funding projects authorized by Section 501.1031 of the Local Government Code. The bill also lists requirements for valid petitions for municipalities to follow in order to call for an election for related projects.

Local Government Impact

The Comptroller's office contacted the City of Tyler, the sponsor of a Type B economic development corporation. The City of Tyler stated the city would incur no cost resulting from the bill unless a petition is received or the Type B economic development corporation and the city council agree to fund a general infrastructure project authorized by the bill and the city council votes to call an election to seek voter approval for the project. The cost of the election would depend upon various factors including whether the election date corresponds with other elections held by the city or those of adjacent entities who might share the cost. The city could not estimate the cost.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: UP, CL, GG, BM