

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 17, 2017

TO: Honorable Craig Estes, Chair, Senate Committee on Natural Resources & Economic Development

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB3360** by Button (Relating to a periodic review by the Economic Incentive Oversight Board of the ad valorem tax incentive program established by the Texas Economic Development Act.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

The bill would amend Chapter 490G, Government Code, to require the Economic Incentive Oversight Board (board) to examine the effectiveness, efficiency, and financial impact on the state of the ad valorem tax incentive program established by Chapter 313, Tax Code, also known as the Economic Development Act. The board would be required to develop a performance matrix that establishes the economic performance indicators, measures, and metrics that would guide the board's evaluation of the program. The Comptroller would be required to provide information concerning the program, upon request of the board to enable the board to perform duties required under Chapter 490G, Government Code. The bill would require the board to develop a schedule for the review of the Chapter 313 incentive program for the purpose of making recommendations concerning the effectiveness and efficiency of the program to the Economic Development and Tourism Office (Office) and reporting the findings and recommendations to the Legislature. The board, upon request, would provide the recommendations to the governing body of a school district or the Comptroller.

Based on the analyses of the offices of the Comptroller and Governor, costs to implement the provisions of the bill could be absorbed within existing resources.

Local Government Impact

According to the Texas Municipal League, the fiscal impact to municipalities to implement the provisions of the bill is not anticipated to be significant.

According to the Texas Association of Counties, the fiscal impact to counties to implement the provisions of the bill is not anticipated to be significant.

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

LBB Staff: UP, SZ, CL, NV, LCO, JGA