

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

April 14, 2017

TO: Honorable René Oliveira, Chair, House Committee on Business & Industry

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB4171 by Guillen (Relating to the state designation of employee owned corporations.),
As Introduced

No significant fiscal implication to the State is anticipated.

The bill would add to the definition of a historically underutilized business an employee owned company for which the majority of the company's stock is held by an employee stock ownership plan created under Section 4975(e)(7), Internal Revenue Services Code and has 500 employees or less. The bill would require the Legislature to establish a joint interim committee to study the feasibility and desirability of promoting and growing employee owned companies and employee stock ownership plans in Texas. A report of the findings of the study and recommendations would be submitted not later than December 1, 2018 to the Governor and the Legislature.

The Comptroller indicated that any costs associated with implementation of the bill would be absorbed within existing resources. This analysis assumes that any costs associated with establishing a joint interim committee, as required by the bill, could be absorbed within existing resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: UP, NV, LCO, KK