

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

March 19, 2019

TO: Honorable Dustin Burrows, Chair, House Committee on Ways & Means

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: HB1977 by Cole (Relating to a requirement that a fiscal impact statement be provided before a taxing unit may enter into a tax abatement agreement.), **As Introduced**

<p>No significant fiscal implication to the State is anticipated.</p>
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The bill would amend Chapter 312 of the Tax Code, regarding the Property Redevelopment and Tax Abatement Act (Act), to require a taxing unit to prepare a fiscal impact statement before entering into a tax abatement agreement.

The bill would require a taxing unit to prepare a fiscal impact statement that assesses the direct economic impact the abatement agreement would have on schools, transportation and public safety in the county and city in which a reinvestment zone would be located, as identified by the tax abatement agreement.

The bill would require the Comptroller, not later than January 1, 2020, to adopt rules establishing the minimum requirements for a fiscal impact statement. The rules would require the taxing unit to provide the fiscal impact statement to the public within a reasonable amount of time before the abatement agreement is entered into.

The provisions of the bill would apply to a tax abatement agreement entered into on or after January 1, 2020.

The bill would have no revenue implications to the state or units of local government.

The bill would affect any local governmental entity that has or uses reinvestment zones and abatements.

The bill would take effect September 1, 2019.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: WP, KK, SD, SJS

