

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION**

**May 11, 2021**

**TO:** Honorable Brian Birdwell, Chair, Senate Committee on Natural Resources & Economic Development

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: HB2404** by Meyer (Relating to the creation and maintenance of a database of information regarding certain local economic development agreements; providing a civil penalty.), **Committee Report 2nd House, Substituted**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB2404, Committee Report 2nd House, Substituted : a negative impact of (\$440,000) through the biennium ending August 31, 2023.

The Comptroller is required to implement the provisions of the bill only if the legislature appropriates money specifically for that purpose. If the legislature does not appropriate money specifically for that purpose, the agency may, but is not required to, implement the provisions of the bill using other appropriations available for that purpose.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

**General Revenue-Related Funds, Five- Year Impact:**

<i>Fiscal Year</i>	<i>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</i>
2022	(\$220,000)
2023	(\$220,000)
2024	(\$220,000)
2025	(\$220,000)
2026	(\$220,000)

**All Funds, Five-Year Impact:**

<i>Fiscal Year</i>	<i>Probable Savings/(Cost) from General Revenue Fund 1</i>	<i>Change in Number of State Employees from FY 2021</i>
2022	(\$220,000)	2.0
2023	(\$220,000)	2.0
2024	(\$220,000)	2.0
2025	(\$220,000)	2.0
2026	(\$220,000)	2.0

The bill would amend Chapter 403 of the Government Code by adding Sections 403.0246 and 403.0247 relating to the creation and maintenance of a database regarding certain local economic development agreements.

The bill would require the Comptroller to create and make accessible on the Internet a free database that would contain information regarding all local development agreements in the state. The bill would require the Comptroller to send a notice to local governments for non-compliance.

The bill would create a civil penalty of \$1,000 for non-compliance which the Attorney General could sue to collect.

### **Fiscal Analysis**

According to the Comptroller, the agency would incur administrative costs and require two additional full-time equivalents to implement the provisions of the bill that would require the agency to create and manage a new web database with a public search and reporting tool that contains information on all local development agreements in the state, as authorized by Chapters 380 and 381 of the Local Government Code.

It is assumed that the costs to the Office of the Attorney General to implement the provisions of the bill which would authorize the Attorney General to sue to collect a civil penalty for non-compliance could be absorbed using existing resources.

### **Methodology**

The Comptroller estimates administrative costs of \$220,000 to hire two Programmer V's to create and manage a new web-based database with a public search and reporting tool.

### **Local Government Impact**

The Texas Municipal League does not anticipate a significant fiscal impact to municipalities. The fiscal impact to other units of local government cannot be determined at this time.

**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** JMc, AJL, LCO, MBO, KK, AF