

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

April 30, 2021

TO: Honorable Angie Chen Button, Chair, House Committee on International Relations & Economic Development

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB4119 by Guillen (relating to operation of the Texas small and rural community success fund program administered by the Texas Economic Development Bank as successor to the Texas leverage fund program.), **Committee Report 1st House, Substituted**

The fiscal implications of the bill cannot be determined at this time. The bill would have an indeterminate negative impact based on appropriations that would be made by the Legislature as well as the assumption of the transfer of funds from a dedicated account to an account that exists outside the state treasury.

The Office of the Governor is required to implement a provision of this Act only if the legislature appropriates money specifically for that purpose. If the legislature does not appropriate money specifically for that purpose, the Governor may, but is not required to, implement a provision of this Act using other appropriations available for that purpose

The bill would amend the Texas Government Code and the Local Government Code to establish the Texas Small and Rural Community Success Fund. The fund is established as a fund outside the treasury by the Comptroller's Office and may be used for making loans to Economic Development Corporations for eligible projects, principal and interest on bonds, and to pay costs associated with the administration of the program.

The bill would authorize the Texas Economic Development Bank to issue, sell and retire bonds, including obligations in the form of commercial paper to provide funding for economic development purposes.

The bill would authorize the Texas Leverage Fund, as amended, to continue operations as established by the September 9, 1992 master resolution of the Texas Department of Commerce.

The bill would provide that previous government acts and proceedings of the Comptroller's Office, the Texas Economic Development and Tourism Office, and the Texas Economic Development Bank relating to the administration of the Texas Leverage Fund that occurred before the effective date of this bill are validated as if they had been authorized by law.

This legislation would do one or more of the following: create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either within or outside of the Treasury, or create a dedicated revenue source. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

The Office of the Governor is required to implement a provision of this Act only if the legislature appropriates money specifically for that purpose. If the legislature does not appropriate money specifically for that purpose, the Governor may, but is not required to, implement a provision of this Act using other appropriations available for that purpose.

According to the Comptroller's Office, the fiscal impact of the bill cannot be estimated at this time.

According to the Office of the Attorney General, any additional work resulting from the provisions of the bill

could be absorbed within current resources.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 300 Trusteed Programs - Gov, 302 Office of the Attorney General, 304 Comptroller of Public
Accounts

LBB Staff: JMc, SZ, LCO, HGR, AJL, MBO