

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION**

**May 28, 2023**

**TO:** Honorable Dan Patrick, Lieutenant Governor, Senate  
Honorable Dade Phelan, Speaker of the House, House of Representatives

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

**IN RE: HB5** by Hunter (relating to agreements authorizing a limitation on taxable value of certain property to provide for the creation of jobs and the generation of state and local tax revenue; authorizing fees; authorizing penalties.), **Conference Committee Report**

<p><b>The fiscal implications of the bill cannot be determined at this time.</b></p>
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The bill would create an incentive program to provide temporary and limited incentives for certain eligible projects. The program would consist of reductions of taxable value for school district maintenance and operations ad valorem taxes.

Under provisions of the Education Code, the school district tax revenue loss is partially transferred to the state. The estimated cost to the Foundation School Program (FSP) are expected to be significant but cannot be determined at this time.

**Local Government Impact**

The fiscal implications of the bill cannot be determined at this time.

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

**LBB Staff:** JMc, KK, SD, BRI, SZ