

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

**FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION**

**May 16, 2013**

**TO:** Honorable Joe Straus, Speaker of the House, House of Representatives

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB1982** by Murphy (Relating to the enterprise zone program.), **As Passed 2nd House**

**No significant fiscal implication to the State is anticipated.**

The bill would amend Section 2303.004 of the Government Code to remove the one million population criteria in which the governing body of a county would be authorized to nominate an enterprise project or activity of a qualified business that is located within the jurisdiction of a municipality located in the county.

The bill would require a county to enter into an interlocal agreement with a municipality before designation of an enterprise project and would establish the conditions of the agreement. A county would be authorized to use the maximum number of designations permitted under Section 2303.406 (d) during any biennium. The bill would allow an enterprise project to be split into two half designations and would establish that the maximum refund may not exceed \$125,000 in each state fiscal year.

The bill would revise the definition of a qualified employee, a veteran, and a qualified business as they relate to an Enterprise Zone relating to the Texas Economic Development Bank. The bill would limit the number of enterprise projects that the Texas Economic Development Bank may designate in each application round of each biennium, and provide provisions for the designation of enterprise projects. The bill would also amend the Government Code and the Tax Code to remove the ability of an enterprise project to receive a tax credit and to revise certain requirements for an enterprise project to be eligible to receive a tax refund

The Comptroller of Public Accounts indicates that, although the bill would increase the number of enterprise project designations that could be made by a count within the jurisdiction of a municipality, and would permit enterprise zone project designations to be split into half designations, the total number of full designations and the benefits available would not be increased. Therefore, no significant revenue implications are anticipated.

The Office of the Governor indicates the provisions of the bill could be implemented within existing resources.

It is assumed the bill would take effect September 1, 2013.

## **Local Government Impact**

The fiscal impact would vary depending on whether a county chose to use the maximum number of designations, but it is not anticipated to be significant.

**Source Agencies:** 301 Office of the Governor, 304 Comptroller of Public Accounts

**LBB Staff:** UP, RB, EP, CK