

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATURE 4TH CALLED SESSION - 2004

May 13, 2004

TO: Honorable Steve Ogden, Chair, Senate Committee on Finance

FROM: John Keel, Director, Legislative Budget Board

IN RE: SJR9 by Ogden (Proposing a constitutional amendment authorizing a state property tax for public education, prohibiting school district property taxes for maintenance purposes, and authorizing a school district property tax for educational enrichment.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SJR9, As Introduced: an impact of \$0 through the biennium ending August 31, 2007.

The joint resolution 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:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2005	\$0
2006	\$0
2007	\$0
2008	\$0
2009	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue (Loss) from <i>School Districts</i>
2005	\$0
2006	(\$16,509,208,869)
2007	(\$17,401,036,332)
2008	(\$18,137,100,169)
2009	(\$18,942,387,417)

Fiscal Analysis

The resolution would authorize the legislature to levy ad valorem taxes to fund public elementary and secondary schools. The rate levied could not exceed \$1.00 for each \$100 of taxable value. This resolution would authorize those districts to levy ad valorem taxes for enriched educational programs. The enrichment tax rate could not exceed \$0.15 for each \$100 of taxable value. In addition, the resolution would disallow local school districts to levy ad valorem taxes for maintenance of public schools. Local schools districts would still have the authority to levy ad valorem taxes for buildings and equipment.

Methodology

The proposed amendment alone, without enabling statutory language, would not enable the state to impose a property tax, and therefore would have no fiscal impact on the state. Local school districts would no longer levy and collect ad valorem taxes for maintenance of public schools. The subsequent funding of public schools is not included in this fiscal note.

Local Government Impact

Local school districts would no longer levy and collect ad valorem taxes for maintenance of public schools. No effective date is included in the resolution. For purposes of the fiscal note, it is assumed that the resolution would be effective January 1, 2005. Since a separate election of district voters is required before school districts could levy the enrichment tax, no fiscal impact is included for that provision.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JK, JO, WP, DLBe, SD