

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 4, 2003

TO: Honorable Florence Shapiro, Chair, Senate Committee on Education

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB195 by Griggs (Relating to the collection and distribution of delinquent ad valorem taxes imposed by county education districts.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

The bill would amend Section 33.09 of the Tax Code to define the manner in which delinquent county education district (CED) property taxes levied in 1992 and 1993 would be transferred by the collecting entities representing successors-in-interest to CEDs to the component school districts of CEDs.

All money held by the successor-in-interest collecting entities would have to be transferred to component school districts no later than September 15, 2003. Not later than September 15, 2003, all uncollected tax accounts would have to be transferred to the districts.

The amount of remaining CED taxes appears to be diminishing each year. In fiscal 2001, less than \$5 million was collected statewide. For fiscal 2002, less than \$2.2 million was budgeted for collection, and in fiscal 2003, the budgeted amount dropped to less than \$1.8 million.

There are likely to be relatively few balances of CED taxes on hand on September 15, 2003. It is assumed that the different distribution will not significantly affect the revenues of school districts or the calculation of state aid at the statewide level. There may be rare situations in which the remaining taxes could be more significant to an individual district, but that is unlikely.

Local Government Impact

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

Source Agencies: 304 Comptroller of Public Accounts, 701 Central Education Agency

LBB Staff: JK, CT, WP, BR