

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

**FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION**

**May 8, 2003**

**TO:** Honorable Frank Madla, Chair, Senate Committee on Intergovernmental Relations

**FROM:** John Keel, Director, Legislative Budget Board

**IN RE: HB390** by Pitts (Relating to the effect of tax increment financing by certain taxing units in the calculation of ad valorem tax rates for those taxing units.), **As Engrossed**

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

Under the bill, the portion of the captured value relative to a tax increment financing agreement excluded from the value of property taxable by a taxing unit in truth-in-taxation tax rate calculations could not be considered as new property relative to those calculations. Since truth-in-taxation tax rate calculations do not impact taxable property values or property tax revenue, no impact to the State is anticipated.

**Local Government Impact**

Since an existing subsection currently excludes captured value from truth-in-taxation calculations, the proposed language would have the effect of prohibiting a taxing unit from excluding the same amount of captured value twice.

Passage of this bill could affect the property rates of taxing units that have or plan to exclude the captured value described in the bill twice. However, no significant impact to units of local government is anticipated.

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

**LBB Staff:** JK, DLBa, SD, WP, DLBe