

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 13, 2003

TO: Honorable Fred Hill, Chair, House Committee on Local Government Ways and Means

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB939 by Isett (Relating to the ad valorem tax rates of certain taxing units.), **As Introduced**

No fiscal implication to the State is anticipated.

The bill would reduce the maintenance and operations rollback rate factor to 1.04 from 1.08 for all taxing units except school districts.

The bill would require a county or city imposing property taxes of \$5 million or more to publish notices and to hold a public hearing for any proposed tax increase above the effective tax rate. Current law permits adoption of a rate up to 3 percent above the effective tax rate before published ads and public hearings are required. The bill would require a county or city imposing taxes of \$5 million or more to publish in their newspaper ads the percentage increase in the proposed tax rate above the effective tax rate.

Since the bill does not apply to school districts, no impact to the State is anticipated.

Local Government Impact

The bill could reduce the rollback tax rates of local taxing units other than school districts. According to the Comptroller of Public Accounts, January 2003 Statement, rollback elections (excluding school districts) were held in one county, two cities, and one special district last year. The Comptroller's Property Tax Division knows of only four taxing units other than school districts with rollback activity this year. Therefore, no significant impact to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JK, SD, WP, DLBe