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LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

May 23, 2003

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

FROM: John Keel, Director, Legislative Budget Board

IN RE: **HB2073** by Hilderbran (Relating to the ad valorem tax rate of a hospital district created under general or special law.), **Committee Report 2nd House, Substituted**

No fiscal implication to the State is anticipated.

The bill would amend the Health and Safety Code to require a hospital district that is authorized to impose ad valorem taxes at a maximum rate of less than 75-cents on $100 valuation of all taxable property in the district to hold a hearing regarding an election to increase the maximum tax rate if petitioned to raise the tax rate by a certain number of the registered voters of the district. If after the hearing, the district determines that the petition is in proper form and that an increase would benefit the district, the governing board of the district would be required to hold an election and to publish notice of the election. The election would be required to be held on the first authorized uniform election date that would allow sufficient time to comply with other requirements of law.

The bill would take effect immediately if it receives a two-thirds vote in each house; otherwise, it would take effect September 1, 2003. The section of code added by the bill would expire on September 1, 2008.

The cost of conducting a hearing if petitioned to raise the maximum tax rate would be minimal. The cost of adding the issue to the ballot on a uniform election date would be insignificant. If the tax increase is approved by the voters of the district, the district would experience a revenue gain. The amount of the gain would depend on the amount of the increase and the total valuation of taxed property.

Local Government Impact

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

Source Agencies: 304 Comptroller of Public Accounts
LBB Staff: JK, DLBa