LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

May 1, 2003

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

FROM: John Keel, Director, Legislative Budget Board

IN RE: **SB392** by Williams (Relating to a repeal of exemptions from certain truth-in-taxation provisions for certain conservation and reclamation districts.), **Committee Report 2nd House, Substituted**

No fiscal implication to the State is anticipated.

The bill would amend Sections 49.107 and 49.108 of the Water Code to bring certain water districts into compliance with truth-in-taxation of the Property Tax Code.

Under the current provisions of the Water Code, certain water districts are exempt from compliance with truth-in-taxation laws, such as submission of the appraisal roll, calculation and publication of the effective and rollback tax rates, tax rate adoption, and rollback election. The bill would repeal those exemptions.

Local Government Impact

The requirements of Tax Code Sections 26.04, 26.05, and 26.07 would be more specific in their application than the provisions presently governing general law district tax levy and election procedures. Accordingly, affected water districts may incur additional costs in complying with the new requirements.

If a water district were to no longer be exempt from certain Tax Code requirements, those water districts would be required to conduct elections related to rolling back the tax rate and to making payments from taxes under a contract. Uniform election costs reported to the Secretary of State in calendar year 2002 for elections held by a sample of water districts averaged 72-cents per registered voter. Based on that average, an election held on a uniform election date in a district with a population of 4,000 registered voters would incur a cost of at least $2,840 per election.

Source Agencies: 304 Comptroller of Public Accounts, 580 Water Development Board, 582 Commission on Environmental Quality

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