

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 25, 2003

TO: Honorable Teel Bivins, Chair, Senate Committee on Finance

FROM: John Keel, Director, Legislative Budget Board

IN RE: SB657 by Brimer (Relating to the effect of tax increment financing by certain taxing units in the calculation of ad valorem tax rates for those taxing units.), **Committee Report 1st House, Substituted**

No fiscal implication to the State is anticipated.

The bill would require taxing units to include in the effective and rollback rate calculations the portion of appraised value of real property that corresponds to the portion of the tax increment the taxing units have agreed to pay into a tax increment finance fund (TIF), if in the same tax rate calculations, there is no portion of captured appraised value excluded from the value of property taxable by the taxing units.

Currently school districts and counties with a population of less than 500,000 are permitted to exclude captured value from truth-in-taxation calculations.

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

Local Government Impact

Passage of this bill could affect the property rates of taxing units that are not currently including certain captured TIF value from their truth-in-taxation calculations. However, no significant impact to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

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