

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 7, 2003

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

FROM: John Keel, Director, Legislative Budget Board

IN RE: SJR29 by Madla (Proposing a constitutional amendment relating to the maximum tax rate that may be imposed on property in an emergency services district.), **As Introduced**

No fiscal implication to the State is anticipated, other than the cost of publication.

The cost to the state for publication of the resolution is \$85,275.

The resolution would allow emergency services districts to provide fire prevention services in addition to emergency services. If approved by the voters, the constitutional amendment would also authorize the commissioners court in participating counties to levy a tax rate not to exceed \$0.20 per \$100 valuation. Imposition of the tax or an increase in the tax rate would require voter approval and could not be increased except as provided by general law. The resolution would be presented to the voters on the November 4, 2003 general election ballot.

The resolution would have no direct fiscal impact to the state, except the cost of publication.

Local Government Impact

No significant fiscal implication to units of local government is anticipated. The initial cost to local governmental entities would be to hold an election regarding approval of a tax or a tax rate increase for the district, estimated at \$5,000 to \$10,000 depending on the size of the district. These costs could be decreased if the election were held on a general election date.

Current law sets the tax rate at no more than \$0.10 on \$100 valuation. Districts that set their rates at or below the current \$0.10 per \$100 valuation would have a positive fiscal impact if voters approved a tax increase. The revenue gains would vary by district, depending on the assessed value of taxable property in the district and the level of any approved increase.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JK, DLBa, WP, DLBe, KG