

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 79TH LEGISLATURE 2nd CALLED SESSION - 2005**

**August 4, 2005**

**TO:** Honorable Steve Ogden, Chair, Senate Committee on Finance

**FROM:** John S. O'Brien, Deputy Director, Legislative Budget Board

**IN RE: SJR11** by Ogden (Proposing a constitutional amendment establishing a maximum tax rate of \$1.25 per \$100 of taxable value for school district ad valorem taxes for maintenance purposes and providing that an ad valorem tax imposed by a school district is not a state ad valorem tax.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for SJR11, As Introduced: a negative impact of (\$66,497) through the biennium ending August 31, 2007.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

**General Revenue-Related Funds, Five-Year Impact:**

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2006	(\$66,497)
2007	\$0
2008	\$0
2009	(\$2,974,529,000)
2010	(\$3,108,383,000)

**All Funds, Five-Year Impact:**

Fiscal Year	Probable Savings/(Cost) from <i>GENERAL REVENUE FUND 1</i>	Probable Revenue Gain/ (Loss) from <i>FOUNDATION SCHOOL FUND 193</i>	Probable Revenue Gain/ (Loss) from <i>School Districts</i>
2006	(\$66,497)	\$0	\$0
2007	\$0	\$0	\$0
2008	\$0	\$0	(\$2,974,529,000)
2009	\$0	(\$2,974,529,000)	(\$133,854,000)
2010	\$0	(\$3,108,383,000)	(\$139,877,000)

**Fiscal Analysis**

The joint resolution would provide that the legislature by general law may authorize school districts to impose a property tax at a rate not to exceed \$1.25 for each \$100 of taxable value for maintenance purposes. The legislature may provide that school districts be eligible to impose an enrichment tax not to exceed 15 cents per each \$100 of taxable value, subject to voter approval.

The limitation takes effect January 1, 2007.

## **Methodology**

These estimates are provided by the Comptroller of Public Accounts.

The \$1.25 limitation established by the resolution is less than the limitation currently established in statute. The figures above reflect the loss associated with the lower limitation. Trended school district tax rates were applied to estimate the cost of the reduced limitation. School district costs would be reimbursed by the state after a one-year lag through the school funding formula. There would be no losses to taxing units other than the state and school districts.

No estimate of the revenue associated with the enrichment tax is provided.

## **Local Government Impact**

There would be no losses to taxing units other than school districts. The amounts for local school districts are shown in the above tables.

**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** JOB, SD, WP