

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

May 20, 2005

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

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

IN RE: HB1006 by Isett (Relating to the adoption of ad valorem tax rates by taxing units and to related tax bills.), **Committee Report 2nd House, Substituted**

No fiscal implication to the State is anticipated.

The bill would require the governing body of a taxing unit other than a school district to hold two public hearings for any proposed property tax increase above the lower of the rollback tax rate or the effective tax rate. Current law requires these governing bodies to hold a public hearing for any proposed property tax increase above the lower of the rollback tax rate or 103 percent of the effective tax rate.

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

Local Government Impact

Since the bill would lower the trigger for additional requirements to adopt a tax rate increase, it may provide an incentive for the applicable taxing units to set future tax rates at a lower amount than the taxing units might approve under current law.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, SD, WP, DLBe