

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

**FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION**

**April 4, 2005**

**TO:** Honorable Ray Allen, Chair, House Committee on County Affairs

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

**IN RE: HB1468** by McReynolds (Relating to the counties eligible to create a county assistance district that may impose a sales and use tax. ), **Committee Report 1st House, Substituted**

<b>No fiscal implication to the State is anticipated.</b>
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The bill would expand the applicability of which counties would be authorized to create a county assistance district that may impose a sales and use tax. The bill would establish limits on inclusion in the district based on the total combined tax rate of all local sales and use taxes imposed in an area (must not exceed 2 percent, including taxes to be imposed by the district). If the proposed district would include any part of a municipality, the county commissioners court would be required to notify the municipality and the municipality would have the option to be excluded from the district.

The bill would take effect immediately if it receives the required two-thirds vote in each house; otherwise, it would take effect September 1, 2005.

Under current statute, only a county with a population of less than 45,000 and any portion of which is included in a regional transportation authority or a metropolitan rapid transit authority may establish a county assistance district. The proposed change in statute would authorize all counties with a population of 50,000 or less to hold an election to seek voter approval of the establishment of a county assistance district.

**Local Government Impact**

If a county were to hold an election to seek voter approval for the creation of a county assistance district, the county would incur election costs. Based on election data reported to the Secretary of State's office by local government entities in March 2004, the statewide average cost per registered voter for an election is \$1.29. Election costs would vary by county, depending on the number of registered voters per county. If the district is approved and established, it is assumed that operational costs would be offset by taxes imposed.

**Source Agencies:**

**LBB Staff:** JOB, DLBa