

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

April 4, 2005

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

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

IN RE: SB1621 by Lindsay (Relating to the tax rate for emergency services districts located in certain populous counties.), **As Introduced**

No fiscal implication to the State is anticipated.

The bill would repeal Section 775.018(b), Health and Safety Code, which provides a different ad valorem tax rate for an emergency services district located in a county with a population of 2.4 million or more than for a district located in other counties. The bill would also repeal Section 775.0745(e), Health and Safety Code, which exempts a county with a population of 2.4 million or more from the requirement to hold an election to increase the tax rate imposed by the emergency services district. Based on the 2000 federal census, only Harris County has a population of 2.4 million or more. Therefore, an emergency services district in Harris County would be required to adhere to the same tax rate and procedures for increasing the tax rate as required of districts in other counties.

The bill would repeal Section 775.041, Health and Safety Code, which requires that a fee imposed by an emergency services district must be paid within a reasonable amount of time set by the district. The section that would be repealed also authorizes a district to collect the fee by filing a complaint in court and, if the district prevails in court, to collect not only the fee, but also reasonable attorneys and witness fees the district may have incurred.

The bill would take effect September 1, 2005 and would apply only to a petition filed on or after that date for the creation of a district. The proposed changes in statute would not affect taxes imposed before the effective date.

Local Government Impact

Because portions of the bill would not have statewide impact on units of local government of the same type or class, no comment from this office is required by the rules of the House/Senate as to the probable fiscal implication of those parts of the bill on units of local government.

The portion of the bill that would affect all emergency services districts regarding collecting and suing for fees could result in a loss of revenue if the district has no other recourse for collecting delinquent fees. The negative fiscal impact would vary by district.

Source Agencies:

LBB Staff: JOB, DLBa