

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

Revision 1

May 4, 2005

TO: Honorable John Carona, Chair, Senate Committee on S/C on Emerging Technologies & Economic Dev.

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

IN RE: SB1730 by Janek (Relating to the use of ad valorem taxes by a municipality or county for a sports and community venue project.), **Committee Report 1st House, Substituted**

No fiscal implication to the State is anticipated.

The bill would authorize a municipality or a county imposing a hotel occupancy tax under Subchapter H, Local Government Code, to order an election on the question of approving the use of revenue derived from ad valorem taxes to finance a venue project. If approved at an election, ad valorem tax revenue could be used to finance a venue project.

Under current statute, a municipality or county is prohibited from using ad valorem tax revenue to construct, operate, maintain, or renovate a venue that is part of an approved venue project except as provided in Section 334.001(4)(D) or (F).

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.

Local Government Impact

If a local government entity were to hold an election, the entity would incur the costs of conducting the election. Based on information reported to the Secretary of State (SOS) in the summer of 2004 by a sampling of counties, municipalities, and special districts, the average cost incurred by a local government entity for an election is \$1.29 per registered voter. The election cost per local government would vary depending on the number of voters registered in each. If a special election were to be held on the general election date, the local government would experience an increase in costs that would not likely be significant (because the state pays the majority of the costs). If a special election were to be held on a uniform election date other than the general election date, the local government would incur the full costs associated with conducting the special election (pay to workers, fee for use of polling locations, publishing notice in newspapers, printing of ballots).

Source Agencies:

LBB Staff: JOB, SD, JRO, DLBa