

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

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**  
**Revision 1**

**April 11, 2007**

**TO:** Honorable Fred Hill, Chair, House Committee on Local Government Ways & Means

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

**IN RE: HB2327** by Coleman ( Relating to the installment payment of ad valorem taxes imposed on a residence homestead.), **Committee Report 1st House, Substituted**

**No fiscal implication to the State is anticipated.**

The bill would amend Chapter 31 of the Tax Code to provide written notice to residence homestead owners of their entitlement to contract with their tax assessor-collector to establish an escrow account for payment of property taxes on their homestead property.

Current law provides for the optional adoption of escrow accounts by collection offices. The bill would mandate the practice.

Because the state is constitutionally prohibited from imposing a state property tax, there would be no direct fiscal impact on the state.

The bill would take effect immediately upon enactment, assuming that it received the requisite two-thirds majority votes in both houses of the Legislature. Otherwise, it would take effect September 1, 2007.

**Local Government Impact**

There would be some undetermined additional administrative implementation costs for collection offices that do not currently allow the use of escrow account agreements for payment of property taxes on qualified homesteads.

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

**LBB Staff:** JOB, CT, SD, SJS