

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

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

**May 27, 2007**

**TO:** Honorable Tom Craddick, Speaker of the House, House of Representatives

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

**IN RE: HR2909** by Hochberg (Suspending limitations on conference committee jurisdiction, H.B. No. 828 (Hochberg/Shapiro).)

<b>No significant fiscal implication to the State is anticipated.</b>
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The bill's provisions would authorize the commissioner of education to adjust the calculation of local revenue for state aid purposes for a district that eliminates a tax abatement that was in effect for the 2005 or 2006 tax year or deposits revenue into a tax increment fund or discontinues such deposits under a plan in effect for the 2005 or 2006 tax year. Under the bill the associated fiscal impact of these district decisions would be primarily local impact, resulting in an increase or decrease to local and total revenue. Specific net impact to the state cannot be determined as it would depend upon future local decisions.

**Local Government Impact**

Under the provisions of the bill, the fiscal implications of district decisions concerning new tax abatements and deposits into tax increment funds would be borne locally, as they were prior to the establishment of the total revenue hold harmless established by House Bill 1, 79th Session, Third Called. Local and total revenue would decrease for districts increasing deposits into a tax increment fund. Local and total revenue would increase for districts choosing to decrease or discontinue deposits into a tax increment fund or choosing to eliminate an existing tax abatement.

**Source Agencies:**

**LBB Staff:** JOB, SD