

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

March 30, 2007

TO: Honorable Steve Ogden, Chair, Senate Committee on Finance

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

IN RE: SB796 by Janek (Relating to the ability of a taxing unit to allow split payment of taxes.), **As Introduced**

No fiscal implication to the State is anticipated.

The bill would amend Section 31.03 of the Tax Code by repealing subsection (b). The subsection provides that if the split-payment option for paying property taxes is adopted, it applies to taxes for all taxing units for which the adopting taxing unit collects taxes.

This bill would take effect September 1, 2007.

Current law allows the governing body of a taxing unit that collects its own taxes to provide that a person who pays one-half of the unit's taxes before December 1 may pay the remaining one-half of the taxes without penalty or interest before July 1 of the following year.

Passage of this bill would allow taxing units that have their property taxes collected by another collecting unit to opt out of the split payment option, even if the collecting unit adopts the option.

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

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, CT