

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 24, 2007

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

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

IN RE: SB1421 by Wentworth (Relating to allowing the creation of scientific and cultural facilities districts in council of government regions; authorizing a tax.), **As Introduced**

No fiscal implication to the State is anticipated.

The bill would add Chapter 337 to Subtitle C, Title 10, Local Government Code, to authorize the most populous county in a council of government region to create a scientific and cultural facilities district. The district would be a special district and a political subdivision of the state. Creation of a district would require confirmation by an election held for that purpose and for approving a sales tax in the district. The lead county would be required to deposit with the county clerk the entire amount of money to cover the costs of the special election before the election may be held.

Provisions of the bill address powers and duties of the district, its operations, and finances, including authorizing imposition of sales and use tax.

The bill would take effect immediately if it were to receive the required two-thirds vote in each house; otherwise, it would take effect September 1, 2007.

Local Government Impact

The most populous county of a council of government (COG) region would initially incur the costs of a special election, although provisions of the bill would allow for the district, if confirmed by the voters, to repay the county for those costs. It is presumed that a county would hold a confirmation election for the creation of a scientific and cultural facilities district only if the costs of the election could be absorbed within existing resources. Election costs vary by county and can be significant for a special election, not including costs of publishing related to an election. For example, according to the Texas Association of Counties, the cost of a special election in the most populous counties of the 11 COGs ranges from \$26,000 in Bowie County (population 89,306) to \$2.4 million in Harris County (population 3.4 million). If the election were to fail, the county would not be able to recoup the election costs.

The revenue resulting from sales and use tax as a method of funding the district would depend on the rate set by the district and the amount of sales on which the tax is imposed.

Source Agencies:

LBB Staff: JOB, CT, DB