

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: SB1758 by Janek (Relating to notice requirements for changes in the effective tax rate.), **As Introduced**

No fiscal implication to the State is anticipated.

The bill would amend Section 26.05(d) of the Tax Code to waive public notice and hearing requirements under Sections 26.06 and 26.065 for a school district that adopts a higher effective tax rate if the total amount of taxes levied either decreases or remains unchanged.

This 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.

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

Passage of this bill could result in an undetermined amount of savings to school districts that adopted a tax rate above the effective tax rate and total taxes either decreased or remained unchanged. The savings would be attributable to the potential costs of holding two public hearings and publication of the hearing notices. The Comptroller's Office cannot predict future behavior of school districts relative to rate setting practices.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, CT