

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION
Revision 1

April 20, 2007

TO: Honorable Kip Averitt, Chair, Senate Committee on Natural Resources

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

IN RE: SJR44 by Estes (Proposing a constitutional amendment authorizing the legislature to permit a municipality with a population of less than 10,000 to provide that municipal ad valorem taxes imposed on real property in or adjacent to an area that has qualified for funding under certain revitalization or redevelopment programs not be increased for a limited period.),
Committee Report 1st House, Substituted

No fiscal implication to the State is anticipated, other than the cost of publication.

The cost to the state for publication of the resolution is \$77,468.

The resolution would propose a constitutional amendment to Article VIII of the Texas Constitution to allow the Legislature to authorize a municipality with a population of less than 10,000 to call an election to permit the voters to determine whether to authorize the governing board of the municipality to limit property tax increases on property located or adjacent to a designated area that has qualified for funding under the Downtown Revitalization Program or the Main Street Improvements Program administered by the Texas Department of Agriculture.

Property taxes would not be increased for the first five years after the tax year in which the limitation on municipal tax increases was established by the city council. The limitation would expire on the earlier of: January 1 of the sixth year following the tax year in which the governing body voted to limit tax increases; or January 1 of the first year in which the owner of the property when the limitation took effect ceased to own the property.

Adoption of the proposed constitutional amendment alone would not result in revenue losses to local units of government. Any fiscal impact would depend on the corresponding enabling legislation.

The proposed amendment would be submitted to voters at an election to be held November 6, 2007.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, WK, SD, SJS