

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 5, 2009

TO: Honorable Rene Oliveira, Chair, House Committee on Ways & Means

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

IN RE: HB2291 by Gattis (Relating to the adoption of an ad valorem tax rate by a taxing unit other than a school district.), **As Introduced**

No fiscal implication to the State is anticipated.

The bill would amend Chapter 26 of the Tax Code, to require taxing units other than school districts to treat the effective tax rate as the adopted rate unless the taxing unit adopts a rate that is higher or lower than the effective rate.

Under the bill, a taxing unit that adopts a tax rate that is higher or lower than the effective rate would be required to follow the procedures in Section 26.05(b) of the Tax Code for adopting a tax rate. If a taxing unit adopts a tax rate higher than the effective rate, the taxing unit would be required to comply with the notice and hearing procedures in Section 26.06 and 26.065 of the Tax Code. The bill would require that the meeting at which the tax rate is set be an open meeting as required by Chapter 551 of the Government Code.

The bill would affect property tax rate adoption procedures but would not set tax rates, affect appraised values, or affect property tax exemptions. As a result, there would be no fiscal impact to the state.

The 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, 2009, and would not apply to a tax rate adopted before the effective date of the bill.

Local Government Impact

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

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, MN, SD, SJS