

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION**

**May 19, 2009**

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

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

**IN RE: HB3477** by Bolton (Relating to authorizing an emergency services district to impose an ad valorem tax for the acquisition of land, equipment, or apparatus or the construction of capital improvements.), **As Engrossed**

<b>No fiscal implication to the State is anticipated.</b>
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The bill would amend Chapter 775 of the Health and Safety Code to authorize Emergency Services Districts to impose an additional ad valorem tax for the exclusive purposes of the acquisition of land, equipment, or apparatus or the construction of capital improvements, as described in the capital improvements plan required under the provisions of the bill, and with district voter approval. The rate would be limited by Section 48-e, Article III of the Texas Constitution to not exceed 5-cents per \$100 valuation, pending statewide voter approval of a Constitutional Amendment proposed by the Eighty-first Legislature, 2009. The bill would prohibit imposition of the tax on or after the date the purchase price of the capital assets as provided by the capital improvements plan is paid in full and the bonds, notes, or other indebtedness as authorized by the plan are paid in full.

The bill would require a separate account be maintained for revenue from the authorized tax from the maintenance and operations funds of the district.

The bill would take effect January 1, 2010, only if the constitutional amendment proposed by the Eighty-first Legislature is approved authorizing an additional ad valorem tax for the acquisition of land, equipment, or apparatus or the construction of capital improvements.

**Local Government Impact**

Emergency Services Districts would experience a revenue gain if they were to receive voter approval and choose to impose and collect these taxes. There would also be some administrative costs associated with provisions of the bill. The fiscal impact would vary by district.

**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** JOB, DB, MN