

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 21, 2009

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

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

IN RE: HB4413 by Taylor (Relating to the required notice of a public hearing on the adoption of an ad valorem tax rate by the governing body of a taxing unit.), **As Introduced**

No fiscal implication to the State is anticipated.

The bill would amend Chapter 26 of the Tax Code, concerning hearings and notices when taxing units other than school districts propose a tax rate in excess of the rollback or effective tax rate.

Under current law, taxing units must hold hearings before adopting a tax rate that exceeds the lower of the rollback rate or the effective tax rate. The bill would delete the requirement to consider the lower of the two rates and require hearings only when the proposed rate exceeded the effective tax rate. The information required in the published notices of the hearings would be reduced.

Additional information concerning the balances of interest and sinking funds and the general fund would be required in the notice of a meeting to vote on a proposed tax increase under Section 26.06.

The bill would not affect taxable values for ad valorem tax purposes. It would change the calculation of the rate that would require public hearings on rate increase and change information provided to the public before certain hearings and votes in the rate adoption process. The effect of the changes on public participation in hearings and the impact on officials in adopting tax rates cannot be determined.

The bill would take effect January 1, 2010.

Local Government Impact

The bill would have no fiscal impact on school districts. The fiscal impact on units of local government other than school districts cannot be estimated because the effect of the changes on public participation in hearings and the impact on officials in adopting tax rates cannot be determined .

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, MN, SD, SJS