

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 4, 2009

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

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

IN RE: HB4429 by Chisum (relating to the authority of a school district to impose ad valorem taxes.), **Committee Report 1st House, Substituted**

<p>No significant fiscal implication to the State is anticipated.</p>
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This bill would amend Section 26.08, Tax Code, by adding Subsection (p). Under new Subsection (p), for certain school districts with characteristics meeting the requirements of the bill, if a district's adopted maintenance and operations (M&O) tax rate for the prior year was less than its effective M&O rate for that year, then the district's current-year rollback tax rate would be calculated as if its prior-year adopted M&O rate was equal to its prior-year effective M&O rate.

The bill would alter the calculation of eligible districts' rollback tax rate, but it cannot be determined the extent to which this change may affect district tax rate adoptions. The Texas Education Agency estimates that the statewide impact to the Foundation School Program is not likely to be significant.

Local Government Impact

No significant fiscal implication to units of local government is anticipated. Certain districts may have additional flexibility under the rollback tax rate provision of the Tax Code.

Source Agencies: 304 Comptroller of Public Accounts, 701 Central Education Agency

LBB Staff: JOB, MN, JGM