

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 26, 2009

TO: Honorable David Dewhurst, Lieutenant Governor, Senate

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

IN RE: SB575 by Davis, Wendy (Relating to the time for dissolution of crime control and prevention districts.), **As Passed 2nd House**

No significant fiscal implication to the State is anticipated.

The bill would amend the Local Government Code regarding the date on which an election to dissolve a crime control and prevention district must occur.

The bill would amend Chapter 321 of the Tax Code, to allow certain special purpose districts to impose a local sales and use tax on the residential use of gas and electricity. A fire control, prevention, and emergency medical services district or a crime control and prevention district located in all or part of a municipality that imposes a tax on the residential use of gas and electricity would be allowed to impose the tax throughout the district.

The bill would add crime control and prevention districts and fire control, prevention, and emergency medical services districts to the list of local jurisdictions for which a municipality could request information from the Comptroller regarding taxes paid to the municipality.

The proposed changes to the Tax Code would take effect January 1, 2010. The bill would take effect immediately if it were to receive the required two-thirds vote in each house; otherwise, it would take effect September 1, 2009.

Based on analysis of the Comptroller of Public Accounts, it is assumed that the agency could absorb any costs within current resources.

Local Government Impact

No fiscal impact is anticipated related to the proposed change to the Local Government Code. Revenue gain resulting from provisions related to the Tax Code would vary depending on the rate of the sales and use tax imposed on the use of gas and electricity and on the number of gas and electric customers located within the district or the municipality. There would also be some administrative costs associated with imposing the tax (public hearing, mailing notices, and posting notices), but those are not anticipated to be significant.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, SD, DB, MN