

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

March 31, 2009

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

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

IN RE: SB792 by Nelson (Relating to the imposition of the sales and use tax by certain crime control and prevention districts and fire control, prevention, and emergency medical services districts.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

This 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 bill would take effect immediately if it were to receive the required two-thirds vote in both houses of the legislature; 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

Revenue gain 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

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