

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

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

**April 29, 2009**

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

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

**IN RE: SB2212** by Lucio (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.), **Committee Report 1st House, Substituted**

<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 acquisition of land, equipment, or apparatus or the construction of capital improvements, 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 require the Board of the Emergency Services Commissioners (board) to use the tax revenue for purposes related to the acquisition of land, equipment, or apparatus, as described in the capital improvements plan, or to pledge the tax to pay the principal and interest on bonds, notes, or other indebtedness. The board would be required to maintain the additional tax revenue in a separate account.

The bill would require the district to file a capital improvements plan open for public inspection in the district's administrative office at least 30 days prior to the board ordering an election for the additional tax.

The bill would require the election notice for the additional tax to also contain a copy of each proposition to be voted on, including an estimate of the probable cost of capital improvements purchases. The board would be required to hold an election if the board decided to increase a tax imposed under Section 775.074(a-1) to a rate above the approved rate.

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. The fiscal impact would vary by district.

**Source Agencies:**

**LBB Staff:** JOB, MN, SD, TP