

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 21, 2009

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

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

IN RE: SB2274 by Seliger (relating to the authority of a school district to impose ad valorem taxes.),
Committee Report 2nd 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), 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. This subsection would apply only to a limited number of school districts that meet the geographic and student-count criteria as established in the bill.

The bill would alter the calculation of 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