

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

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

**April 9, 2009**

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

**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.), **As Introduced**

<p><b>No significant fiscal implication to the State is anticipated.</b></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.

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