

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 23, 2009

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

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

IN RE: SB2301 by Williams (Relating to the calculation of the ad valorem rollback tax rates of certain taxing units.), **As Introduced**

No fiscal implication to the State is anticipated.

The bill would amend Chapter 26 of the Tax Code, regarding property tax assessments.

Under current law the effective maintenance and operations property tax rate of non-school district taxing units is multiplied by a factor (1.08) to calculate the maintenance and operations portion of the rollback rate. The bill would reduce the factor from 1.08 to 1.05, unless the taxing unit is located in a disaster area or the governing body finds that a higher tax rate is necessary to protect the health, safety, or property of persons residing in the taxing unit.

The bill would make conforming changes to Chapter 49 of the Water Code.

The bill would take effect immediately upon enactment, assuming that it received the requisite two-thirds majority votes in both houses of the Legislature. Otherwise, it would take effect September 1, 2009

Local Government Impact

To the extent that local taxing units adopt lower rates under the bill, there would be a revenue loss to local taxing units other than school districts. (School districts would be excluded from the new procedure.) Because the future actions of voters and taxing units in adopting tax rates cannot be predicted, the loss cannot be estimated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, MN, SD, SJS