

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

**FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION**

**May 14, 2013**

**TO:** Honorable Tommy Williams, Chair, Senate Committee on Finance

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB671** by Ratliff (Relating to the calculation of the rollback tax rate of a school district.),  
**As Engrossed**

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| <p><b>No fiscal implication to the State is anticipated.</b></p> |
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This bill would amend Section 26.08 of the Tax Code, regarding property taxation and assessment, to provide a school district rollback tax rate calculation for school districts whose adopted tax rate was approved at an election in the 2006 tax year or any subsequent tax year. Current law requires a school district that adopts a rate in excess of the rollback rate to hold an election in which the voters approve or disapprove the adopted rate. If the voters do not approve the adopted rate, the rate must be lowered to not exceed the rollback rate. For school districts that have adopted a tax rate equal to or higher than the rollback rate for any tax year in the preceding 10 tax years, the bill would provide that the rollback rate for a school district is the higher of the current calculation or the sum of the district's current debt rate and the highest maintenance and operations tax rate adopted by the district and approved at an election for the 2007 tax year or any subsequent tax year.

This change in law would apply beginning with the 2013 tax year; however, if a school district has adopted a property tax rate for the 2013 tax year before this proposal is effective, the change in law would apply beginning in the 2014 tax year.

The bill would not affect taxable property values, tax rates, collection rates, or any other variable which might affect the revenues of units of local governments or the state.

This 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, 2013.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** UP, KK, SD, SJS