

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

**FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION**

**May 4, 2015**

**TO:** Honorable Dennis Bonnen, Chair, House Committee on Ways & Means

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

**IN RE: HB1086** by Isaac (Relating to the form of a motion to adopt an ordinance, resolution, or order setting an ad valorem tax rate that exceeds the effective tax rate.), **As Introduced**

<p><b>No fiscal implication to the State is anticipated.</b></p>
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The bill would amend Chapter 26 of the Tax Code, regarding property appraisal and assessment.

The bill would amend Section 26.05 (tax rate) to modify the required language in a motion by a governing body of a taxing unit (other than a water district) to adopt a property tax rate that exceeds the effective tax rate to remove the phrase regarding increasing the property tax rate and replace it with language that the proposed tax rate exceeds the effective tax rate. The effective tax rate is a calculated rate that would provide a taxing unit with about the same amount of revenue it received in the year before on properties taxed in both years.

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.

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, 2015.

**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