

**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: HB2432** by Faircloth (Relating to the procedure for the adoption of an ad valorem tax rate by certain special districts.), **As Introduced**

**No fiscal implication to the State is anticipated.**

The bill would amend Chapter 49 of the Water Code to provide that the following current Tax Code provisions would now apply to water districts:

- 1) Assessors are required to determine the total appraised and assessed value and the total taxable value of property taxable by a taxing unit (Section 26.04(a) of the Tax Code);
- 2) Assessors are required to submit the appraisal roll and estimated collection rate to a taxing unit by August 1 or as soon as thereafter as practicable (Section 26.04(b) of the Tax Code);
- 3) Taxing units are required to adopt a tax rate for the current tax year before the later of September 30th or the 60th day after the certified roll is received by the taxing unit (Section 26.05(a) of the Tax Code); and
- 4) Taxing units are prohibited from applying tax revenues generated by the debt tax rate for any other purpose other than the retirement of debt (Section 26.05(f) of the Tax Code).

The bill would amend Section 26.05 of the Tax Code to provide that the tax rate components adopted by a taxing unit other than a school district includes the maintenance and operation (M&O) rate and a calculated (rather than the published) debt rate.

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 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