

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

April 26, 2017

TO: Honorable Dan Huberty, Chair, House Committee on Public Education

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB2329 by Burkett (Relating to elimination of the authority of certain county school districts to impose ad valorem taxes and to a procedure under which those districts may be abolished.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would prohibit a county school district in a county with a population of 2.2 million or more and that is adjacent to a county with a population of more than 600,000 from imposing an ad valorem tax. The bill would require each county school district in a county with a population of 2.2 million or more and that is adjacent to a county with a population of more than 600,000 to be abolished unless component school districts with 75 percent or more of the total student population elect to participate in services offered by the county school district each school year. The bill would provide for the process by which each applicable county school district should be dissolved.

The bill would prohibit a county school district in a county population of 2.2 million or more and that is adjacent to a county with a population of more than 600,000 from levying, assessing, or collecting a countywide maintenance or equalization tax.

Based on information provided by the Texas Education Agency (TEA) the provisions of this bill would apply to county education departments for Dallas County and Harris County.

TEA anticipates that any cost to the state associated with implementing the provisions of the bill would be minimal.

Local Government Impact

According to TEA, local education agencies (LEAs) in Harris and Dallas Counties would have to make up for the tax revenues lost to their county district's which are used to provide services to the constituent LEAs. LEAs would be able to continue contracting with the county school districts for services unless fewer than seventy-five percent of the constituent districts chose to continue doing so. If an insufficient number of the constituent districts continued seeking services, the county school districts would be abolished. The constituent LEAs would be required to provide the services received themselves or through shared services arrangements.

Source Agencies: 304 Comptroller of Public Accounts, 701 Texas Education Agency

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