

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 16, 2017

TO: Honorable Jane Nelson, Chair, Senate Committee on Finance

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB3046 by Dale (Relating to combined municipal sales tax ballot propositions.), As
Engrossed

<p>No fiscal implication to the State is anticipated.</p>
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Local Government Impact

The bill relates to combined municipal sales tax ballot propositions.

The bill would amend Section 321.409(a), Tax Code, to strike the language "dedicated or special purpose," allowing a municipality by a combined ballot proposition to lower or repeal any municipal sales tax, including an additional sales tax for property tax relief, and by the same proposition raise or adopt any other municipal sales tax, including the additional sales tax for property tax relief.

The bill would apply to all municipalities. To understand the potential impact of the bill, the Comptroller's office contacted the City of Cedar Park and the City of Leander. The fiscal year for both cities begins on October 1.

The Cedar Park City Secretary explained that Cedar Park election costs vary between \$35,000 and \$75,000 based on the number of entities on the ballot. Costs are divided between the cities, counties, school districts, and water control and improvement districts. The bill would not change the City's expenditures for elections.

The City of Leander City Secretary explained that the City of Leander has conducted combined ballot propositions but not related to tax propositions as outlined in the bill. The bill would have no additional fiscal impact on the City of Leander.

The bill takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this bill does not receive the vote necessary for immediate effect, this bill takes effect September 1, 2017.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: UP, KK, SD