

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

April 21, 2017

TO: Honorable Eddie Lucio, Jr., Chair, Senate Committee on Intergovernmental Relations

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **SB2264** by Kolkhorst (Relating to the powers and duties of the Fort Bend County Municipal Management District No. 1; authorizing the imposition of a tax.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend the Special District Local Laws Code relating to the Fort Bend County Municipal Management District No. 1; authorizing the imposition of a tax. The bill would allow the district to compensate each director in an amount not to exceed \$7,200 in a year. The district may impose a sales and use tax if authorized by a majority of voters to be used for any purpose for which ad valorem tax revenue of the district may be used. The bill would restrict the district from adopting a sales and use tax if it would result in the combined tax rate imposed by the district and other political subdivisions of the state having territory in the district to exceed two percent at any location in the district.

The Comptroller of Public Accounts indicates that because the provisions of the bill are partly permissive and also based on voter approval, the cost to the state and units of local governments cannot be determined. For the purposes of this analysis it is assumed that the bill would not result in a significant fiscal impact to the State.

The bill would take effect September 1, 2017.

Local Government Impact

The Fort Bend County Auditors Office indicates the bill may have some fiscal impact on the county since parts of the district have not reached the two percent ceiling and voter approval is required.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: UP, SZ, GG, BM, JGA