

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

**FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION**

**April 16, 2019**

**TO:** Honorable Paul Bettencourt, Chair, Senate Committee on Property Tax

**FROM:** John McGeady, Assistant Director    Sarah Keyton, Assistant Director  
Legislative Budget Board

**IN RE:** **SB1395** by Seliger (Relating to voter approval of a proposed ad valorem tax rate that exceeds the rollback tax rate.), **As Introduced**

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

The bill would repeal the provisions of the Tax Code and other codes that require a taxpayer petition to trigger a rollback election in taxing units other than school districts and would amend Tax Code Section 26.08 to provide for elections in these taxing units that are automatically triggered when the rollback rate is exceeded. School districts would continue to be subject to the automatic tax rate elections.

The bill's requirement that cities, counties and special taxing units hold automatic tax rate elections when the rollback rate is exceeded would, in some instances, create a cost to those taxing units by making tax rate elections more frequent and increasing the chance that reduced tax rates might be adopted. The number of tax rate elections that would result in lower tax rates and the associated levy loss are unknown. Consequently, the cost cannot be estimated. There would be no cost to school districts 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 on the 91st day after the last day of the 86th regular legislative session. If a taxing unit adopted a tax rate for the 2019 tax year before the effective date, the change in law proposed by the bill would apply beginning with the 2020 tax year.

**Local Government Impact**

The bill's requirement that cities, counties and special taxing units hold automatic tax rate elections when the rollback rate is exceeded would, in some instances, create a cost to those taxing units by making tax rate elections more frequent and increasing the chance that reduced tax rates might be adopted.

**Source Agencies:** 304 Comptroller of Public Accounts

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