

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

April 5, 2021

TO: Honorable Morgan Meyer, Chair, House Committee on Ways & Means

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB2438 by Meyer (Relating to municipalities and counties that adopt budgets that defund law enforcement agencies.), **As Introduced**

<p>No significant fiscal implication to the State is anticipated.</p>
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The bill would amend the Local Government and Tax Codes to prohibit a local government that meets the definition of a defunding local government as described in Section 140.013, Local Government Code, from adopting a property tax rate that exceeds the lesser of the defunding taxing unit's no-new-revenue tax rate or voter-approval tax rate for that tax year.

According to the Officer of the Governor, no significant fiscal impact to that office is anticipated.

According to the Comptroller of Public Accounts, no fiscal impact to the State is anticipated.

Local Government Impact

Because the number of municipalities that would meet the definition of a defunding local government in the future is unknown, the fiscal impacts cannot be determined at this time. There could be an indeterminate revenue loss to units of local government that meet the definition of a defunding local government.

Source Agencies: 300 Trusteed Programs - Gov, 304 Comptroller of Public Accounts

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