

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

April 16, 2023

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB5047 by Wilson (Relating to the imposition of sales and use tax after a municipality annexes an area in an emergency services district.), **As Introduced**

No fiscal implication to the State is anticipated.

The bill would amend Chapter 775 of the Health and Safety Code (Emergency Service Districts) by adding new Section 775.0755, regarding sales and use tax after certain municipal annexations.

The bill would stipulate Section 321.102(f) of the Tax Code, relating to boundary changes, new taxes, and tax repeals, would not apply to annexations when a municipality annexes for full purposes part of an emergency service district (ESD) that imposes a sales and use tax; the annexed area is not removed from the ESD; and the municipality intends to be the sole provider of emergency services to the area.

The bill would take effect September 1, 2023.

Local Government Impact

As the number of potential annexations that would be subject to the provisions of the bill is unknown, the effect on local governments cannot be determined at this time.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JMc, KK, SD