

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

**FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION**

**May 12, 2023**

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

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: SB1814** by Bettencourt (Relating to the current debt rate and tax rate of a taxing unit for ad valorem tax purposes.), **As Engrossed**

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| <b>No fiscal implication to the State is anticipated.</b> |
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The bill would amend Chapter 26 of the Tax Code to define current debt service (for the purpose of calculating the current debt rate of a taxing unit) as meaning the minimum dollar amount required to be expended for debt service for the current year. The bill would establish requirements for adopting an interest and sinking tax rate that exceeds the rate as determined by Subsection 26.05 (a)(1) of the Tax Code. Under current law "Current debt" means debt service for the current year. Implementing the provisions of the bill could require some taxing units to adopt a lower tax rate, and to continue payments of debt for a longer period, than they would under current law if they do not adopt a higher tax rate as provided by the bill.

The bill would make conforming changes to the notice of public meeting to discuss budget and proposed tax rate.

**Local Government Impact**

The bill would amend a current law definition which now reads, "Current debt means debt service for the current year." Implementing the provisions of the bill could require some taxing units to adopt a lower tax rate, and to continue payments of debt for a longer period, than they would under current law if they do not adopt a higher tax rate as provided by the bill.

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

**LBB Staff:** JMc, KK, SD, BRI, AF