

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

April 10, 2023

TO: Honorable Paul Bettencourt, Chair, Senate Committee on Local Government

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: SB1814 by Bettencourt (Relating to the definition of current debt service for the purpose of calculating the current debt rate of a taxing unit for ad valorem tax purposes.), **As Introduced**

No fiscal implication to the State is anticipated.

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. 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.

Local Government Impact

The bill would amend a current law definition which now reads, "Current debt means debt service for the current year." As a result, local governments could be required to adopt a lower tax rate, and to continue payments of debt for a longer period, than they would under current law.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JMc, AF, SD, BRI