

**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: SB1999 by Bettencourt (Relating to the calculation of the unused increment rate of a taxing unit.), **As
Introduced**

No fiscal implication to the State is anticipated.

The bill would amend Chapter 26 of the Tax Code, relating to Assessment, to revise the calculation of the unused increment rate of a taxing unit, as well as provide definitions for the terms foregone revenue amount and preceding total value. The change in the calculation of the unused increment rate may result in a reduction of the total unused increment rate when compared to the current calculation. The unused increment rate is a component of the voter-approval tax rate under Section 26.04 of the Tax Code.

Local Government Impact

Passage of the bill could reduce the unused increment rate that is used to calculate the voter-approval tax rate. As a result, voter-approval tax rates could be reduced, which could result in a reduction in the amount of ad valorem tax revenue a unit of local government could generate without voter approval.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JMc, AF, SD, BRI