

**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**

<b>No fiscal implication to the State is anticipated.</b>
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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