

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

**FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION**

**March 22, 2025**

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

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

**IN RE: SB1453** by Bettencourt (Relating to the current debt rate and tax rate of a taxing unit for ad valorem tax purposes.), **As Introduced**

<b>No significant fiscal implication to the State is anticipated.</b>
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The bill would 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 add requirements concerning the governing body of a taxing unit and the conditions needed to approve a debt tax rate that exceeds the minimum debt tax rate for the taxing unit. If such a debt rate were to be adopted, the designated officer or employee would recalculate the voter-approval tax rate to account for the new current debt rate for that year.

The bill would amend a current law definition which now reads, “Current debt means debt service for the current year.” The result could be to 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 could result in some taxing units being 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

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