

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 1181** HLS 26RS 2269

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 10, 2026	12:50 PM	Author: VENTRELLA
Dept./Agy.: Local Economic Development District Authorities		Analyst: Garrett Ordner
Subject: Boundaries and Taxation of Economic Development Districts		

DISTRICTS/TAXING

OR SEE FISC NOTE LF RV

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Provides relative to the creation of and levy of taxes by certain special districts

Present law provides for the creation of economic development districts. Proposed law provides that the boundary of the district shall be a single, contiguous boundary and that no property within the boundary shall be excluded from the district. Proposed law allows electors residing within the district to petition the governing authority of a district for a special election to decide whether taxes initially levied without election will continue, provided that at least 30 qualified electors reside within the boundaries of the district at any time after the initial levy of the tax. Proposed law applies to taxes levied at a time when there were no qualified electors residing within the boundaries of the district. Proposed law restricts the issuance of bonds payable from proceeds of the tax in the time period between certification of such a petition and the special election. Proposed law restricts the issuance of bonds after the termination date if the tax is terminated pursuant to the special election. Proposed law provides that if a majority of voters do not elect to continue the tax, the tax shall be terminated upon the later of (1) retirement of bonds or other obligations funded by the tax, or (2) the first day of the second calendar month following the promulgation of the election results.

EXPENDITURES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	

Annual Total

REVENUES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	

Annual Total

EXPENDITURE EXPLANATION

Local governments may incur indeterminable costs to hold a special election pursuant to proposed law to the extent that residents of an economic development district petition the government for such an election. If the continuation of the tax is the only item on the ballot, the governing authority of the economic development district will be responsible for the full cost of the election. Election costs to the governing authority will be mitigated to the extent that special elections coincide with other local elections impacting the district or with statewide elections. Proposed law only applies to taxes which were levied when no qualified electors resided in the economic development district.

REVENUE EXPLANATION

There will be a decrease in revenues to economic development districts if special elections held pursuant to proposed law result in the termination of taxes which were levied when no qualified electors resided in the district. The extent of any such decrease will depend upon the size of the district which terminates the tax and the taxes which voters elect to terminate. Therefore, any decrease in tax revenues is speculative and indeterminable.

Senate

Dual Referral Rules

House

13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Alan M. Boxberger

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Legislative Fiscal Officer