

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

May 22, 2003

TO: Honorable Teel Bivins, Chair, Senate Committee on Finance

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB1278 by Zedler (Relating to an exemption from ad valorem taxation for property owned by a religious organization that is leased for use as a school or that is owned with the intent of expanding or constructing a religious facility.), **Committee Report 2nd House, Substituted**

<p>No significant fiscal implication to the State is anticipated.</p>
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The bill would amend Section 11.20 of the Tax Code to exempt from property taxation property owned by a church or religious society that owned an actual place of worship, if the property was owned for the purpose of expanding an existing place of worship, constructing a new place of worship or was leased for use as a school as defined by Section 11.21, Tax Code, and the property yielded no revenue.

Local Government Impact

Passage of the bill could result in an undetermined amount of lost revenue to units of local government. The amount of loss would depend on the number of religious organizations qualifying for the expanded exemption and the market value of the subject properties that would be exempted under the proposed language.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JK, SD, WP, BR