

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 7, 2003

TO: Honorable Fred Hill, Chair, House Committee on Local Government Ways and Means

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB1533 by Cook, Robby (Relating to the ad valorem taxation of certain property owned by a municipality.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would provide an exception to the public property tax exemption for municipalities. The governing bodies of taxing units could vote to tax real property owned by a municipality if the property were located outside the corporate limits of the municipality.

Currently, the city of San Antonio owns more than 6,500 acres valued at more than \$14 million in Bastrop County. The bill would allow the related taxing units to tax this property. Other property may also become taxable upon passage of this bill. Section 403.302 of the Government Code requires the Comptroller to conduct a property value study to determine the total taxable value for each school district. Total taxable value is an element in the state's school funding formula. Passage of this bill could increase school district taxable values reported to the Commissioner of Education by the Comptroller and reduce the cost to the Foundation School Fund. However, no significant fiscal implication to the State or units of local government is anticipated.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JK, SD, WP, DLBe