

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

**FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION**

**April 2, 2003**

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

**FROM:** John Keel, Director, Legislative Budget Board

**IN RE: HB1910** by Talton (Relating to the exemption from ad valorem taxation of property owned by a religious organization.), **As Introduced**

**No significant fiscal implication to the State is anticipated.**

This bill would remove the requirement that a religious organization would have to file an exemption application to receive a property tax exemption on its property. A religious organization that has conscientious objections to filing a property tax exemption application would not have to apply for an exemption. In lieu of application, the organization would have to notify the appraisal district, and the district would determine, based on information provided by the organization, whether the organization qualified for a property tax exemption. Unless the chief appraiser estimated that the information by the religious organization was not correct, the property would not be subject to taxation.

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 cause a change in school district taxable values reported to the Commissioner of Education by the Comptroller and cause an increase in state costs to the Foundation School Fund. It is assumed that the chief appraiser would estimate that the information provided by the religious organizations was not correct for properties which are currently not exempt. As a result, no significant fiscal impact is anticipated.

**Local Government Impact**

The bill would require appraisal districts to investigate the qualifications of religious organizations choosing not to file an exemption application because of conscientious objections. Local taxing units would incur additional costs to conduct investigations as a result of this bill.

**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** JK, SD, WP, DLBe