

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 9, 2003

TO: Honorable Robert Talton, Chair, House Committee on Urban Affairs

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB2617 by Mowery (Relating to tax credits and tax exemptions awarded to certain entities providing affordable housing.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend the Government Code and Tax Code to include provisions permitting taxing unit involvement in awarding and granting of tax credits and property tax exemptions for low-income housing projects.

Because the state is constitutionally prohibited from imposing a state property tax, there would be no direct fiscal impact on the state. The provisions of the bill would require the Comptroller of Public Accounts to conduct a property value study to determine the total taxable value for each school district; the taxable value is an element in the state's school funding formula. According to the Comptroller, the provisions of the bill could cause a change in school district taxable values reported to the Commissioner of Education by the Comptroller.

Based on the analysis of the Department of Housing and Community Affairs and the Comptroller, duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

Local Government Impact

The impact of implementing provisions of the bill would depend on future actions by taxing units relative to establishing local criteria for the property tax exemption of property owned by community housing development organizations.

Source Agencies: 304 Comptroller of Public Accounts, 332 Department of Housing and Community Affairs

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