

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

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

**March 29, 2003**

**TO:** Honorable Florence Shapiro, Chair, Senate Committee on Education

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

**IN RE: SB415** by Carona (Relating to the powers of certain nonprofit corporations to finance facilities for an institution of higher education under the Higher Education Authority Act.),  
**As Introduced**

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| <b>No significant fiscal implication to the State is anticipated.</b> |
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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.

Property acquired or constructed and owned by a higher education authority is exempt from local property taxes. *To the extent that this bill would result in additional property being owned by such a non-profit, school district taxable values reported to the Commissioner of Education by the Comptroller would be reduced and state costs to the Foundation School Program would be increased. The amount of the revenue loss would depend upon the number of eligible entities who obtain property under the bill provisions and the value of that property.*

**Local Government Impact**

Property acquired or constructed and owned by a higher education authority is exempt from local property taxes. To the extent that this bill would result in additional property being owned by such a non-profit, local property tax revenue would be reduced.

**Source Agencies:** 781 Higher Education Coordinating Board

**LBB Staff:** JK, JO, CT, PF, DSB