

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

**FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION**

**May 18, 2005**

**TO:** Honorable Steve Ogden, Chair, Senate Committee on Finance

**FROM:** John S. O'Brien, Deputy Director, Legislative Budget Board

**IN RE: HB2080** by Paxton (Relating to the ad valorem tax status of a license to occupy a dwelling unit in a tax-exempt retirement community.), **As Engrossed**

Since the bill would exempt from property taxation currently taxable real propriety interests, taxable property values would be reduced.

The bill would provide that a license to occupy a dwelling unit in an exempt retirement community is not a taxable leasehold or other possessory interest in real property.

Since the bill would exempt from property taxation currently taxable real propriety interests, taxable property values would be reduced. 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 would reduce school district taxable values reported to the Commissioner of Education by the Comptroller.

**Local Government Impact**

Since the bill would exempt from property taxation currently taxable real propriety interests, taxable property values and the related ad valorem taxes would be reduced for units of local government.

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

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