

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

April 12, 2005

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

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

IN RE: HB2538 by Coleman (Relating to an exemption from ad valorem taxation for culturally significant sites.), **As Introduced**

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| No significant fiscal implication to the State is anticipated. |
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The bill would allow taxing units to designate and exempt from property taxation a "culturally significant site."

Currently, taxing units may designate and exempt historic sites. Tax units may also exempt sites designated by the state as historic sites or archeological landmarks.

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. Since the proposed exemption would be optional for school districts, and the Comptroller may not deduct the value of historical exemptions and other non-required exemptions from the property value study, no fiscal impact to the State is anticipated.

Local Government Impact

Passage of the bill could result in a reduction in taxable property values and the related ad valorem tax revenue to units of local government.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, SD, WP, DLBe