

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

May 9, 2005

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

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

IN RE: SB1020 by Barrientos (Relating to the exemption from ad valorem taxation of certain property used by a charitable organization operating a radio station that is funded through donations.), **Committee Report 1st House, Substituted**

The bill would exempt from property taxation property owned by an organization "operating a listener-supported radio station that broadcasts educational, cultural, or other public interest programming, including classical music" that is funded entirely with donations.

Passage of the bill would result in a reduction in taxable property values and increase the related costs to the Foundation School Fund.

In 1983, Atty. Gen. Op. No. JM-41 ruled that a non-profit public interest radio station could not qualify for a property tax exemption under Section 11.18 of the Tax Code because its activities were not among those listed in Section 11.18.

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 cause a change in school district taxable values reported to the Commissioner of Education by the Comptroller.

Local Government Impact

Passage of the bill would 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