

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

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**

**April 27, 2007**

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

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

**IN RE: HB1837** by Taylor (Relating to exempting from ad valorem taxation property used by certain nonprofit community business organizations to provide services to aid in the economic development of local communities.), **As Engrossed**

**Passage of the bill would create a property tax exemption for real and personal property owned by a nonprofit community business organization and used to provide economic development services to a local community. As a result, taxable property values would be reduced and the related costs to the Foundation School Fund would be increased.**

The bill would amend Chapter 11 of the Tax Code to exempt real and personal property owned by a nonprofit community business organization and used to provide economic development services to a local community.

Passage of the bill would create a property tax exemption for a new class of organization for which the Comptroller's Property Tax Division does not receive or maintain information from appraisal districts or taxing units that would be helpful in determining the fiscal impact to the state or units of local government.

The bill would take effect January 1, 2008.

**Local Government Impact**

Since passage of the bill would exempt from property taxation currently taxable property, local units of government would realize a reduction in taxable property values and the related ad valorem tax revenue.

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

**LBB Staff:** JOB, CT, SD, SJS