

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

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

**May 1, 2007**

**TO:** Honorable Jim Keffer, Chair, House Committee on Ways & Means

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

**IN RE: HB2744** by Bailey (Relating to the ad valorem taxation of certain property used to provide low-income or moderate-income housing.), **Committee Report 1st House, Substituted**

**Because future market capitalization rates cannot be accurately predicted, the availability of future comparable sales cannot be predicted, and the extent to which appraisal districts would be able to conduct market capitalization rate studies cannot be predicted, the fiscal impact on the state cannot be determined.**

The bill would amend Sections 11.1825 and 23.215 of the Tax Code to mandate appraisal methodology for property used to provide low-income or moderate-income housing.

The bill would take effect September 1, 2007.

**Local Government Impact**

Because future market capitalization rates cannot be accurately predicted, the availability of future comparable sales cannot be predicted, and the extent to which appraisal districts would be able to conduct market capitalization rate studies cannot be predicted, the fiscal impact on local taxing units cannot be determined.

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

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