

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 13, 2007

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

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

IN RE: HJR35 by Otto (Proposing a constitutional amendment authorizing the legislature to exempt from ad valorem taxation rent-to-own property not held by the lessee primarily to produce income and to prescribe the method to be used to depreciate taxable rent-to-own property for tax appraisal purposes.), **As Engrossed**

No fiscal implication to the State is anticipated, other than the cost of publication.

The cost to the state for publication of the resolution is \$77,468.

This resolution would propose a constitutional amendment to Article VIII of the Texas Constitution to authorize the Legislature to exempt from property taxation personal property intended for personal use within the home if the personal property were subject to a rent-to-own contract and not held primarily for the production of income by the lessee and otherwise qualified under general law for exemption.

The proposed amendment would allow political subdivisions imposing a property tax to tax such rent-to-own personal property, subject to legislative limitations.

The proposed amendment would authorize the Legislature to prescribe the method of depreciating personal property owned by a dealer, intended for use in the home, and subject to a lease-to-own contract. The Legislature could provide for the depreciation of the property over a period of not less than three years.

The proposed amendment would be submitted to the voters at an election to be held November 6, 2007.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

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