

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

**FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION**

**April 19, 2009**

**TO:** Honorable Rene Oliveira, Chair, House Committee on Ways & Means

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

**IN RE: HB2628** by Rodriguez (Relating to an exemption from ad valorem taxation of certain property owned by a charitable organization and used in providing housing and related services to certain individuals.), **As Introduced**

**To the extent that improvements are exempted under the bill, there would be a cost to the state through the operation of the school funding formulas.**

Section 11.18(d) of the Tax Code lists several charitable functions, one or more of which a charitable organization must exclusively perform to qualify for a property tax exemption. The bill would add the provision of housing and related services to unaccompanied disabled homeless persons who meet certain conditions to the list of charitable functions required of a charitable organization for receiving a property tax exemption.

The bill would also limit any exemption based on the new authorized charitable function to improvements owned by a charitable organization that has been in existence for at least ten years, if the improvements are used to provide housing and related services and are located on a single campus owned by a municipal corporation.

To the extent that improvements are exempted under the bill there would be a cost to taxing units and to the state through the operation of the school funding formulas. Because no information is available regarding the number or value of improvements that would qualify for exemption under the bill the fiscal impact cannot be estimated.

The bill would be effective on January 1, 2010.

**Local Government Impact**

To the extent that improvements are exempted under the bill there would be a cost to local taxing units.

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

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