

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 3, 2009

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

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

IN RE: HB3210 by Edwards (Relating to the exemption from ad valorem taxation for property owned by a religious organization for purposes of expanding a religious facility or constructing a new religious facility.), **As Introduced**

To the extent that additional property is exempted under the extended exemption periods proposed by the bill, the bill would create a cost to the state through the operation of the school funding formulas.

The bill would amend Chapter 11 of the Tax Code, regarding taxable property and exemptions.

The bill would extend the length of time for which a tract of land contiguous to the tract on which a religious organization holds its regular religious worship, and that is owned by the religious organization, may be exempted from ad valorem taxation from 6 to 10 years. The bill also would extend the length of time for which a tract of land not contiguous to the tract on which a religious organization holds its regular religious worship, and that is owned by the religious organization, may be exempted from ad valorem taxation from 3 to 5 years.

To the extent that additional property is exempted under the extended exemption periods proposed by the bill, the bill would create a cost to taxing units and to the state through the operation of the school funding formulas. The amount of property that would be exempted in the extended exemption periods is unknown, so the fiscal impact of the bill cannot be determined.

The bill would take effect January 1, 2010.

Local Government Impact

To the extent that additional property is exempted under the extended exemption periods proposed by the bill, the bill would create a cost to local taxing units. The amount of property that would be exempted in the extended exemption periods is unknown, so the fiscal impact of the bill cannot be determined.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, MN, SD, SJS