

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

March 28, 2009

TO: Honorable Royce West, Chair, Senate Committee on Intergovernmental Relations

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

IN RE: SB1205 by West (Relating to community land trusts.), **As Introduced**

<p>No fiscal implication to the State is anticipated.</p>
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The bill would add Chapter 373 B to Subtitle A, Title 12, Local Government Code, to authorize the governing body of a municipality or county by ordinance or order to create or designate one or more community land trusts, including a housing finance corporation established under Chapter 394 or a land trust operated by a community housing development organization certified by the municipality or county, to operate in the municipality or county. Provisions of the bill stipulate the operations of the land trust.

The bill would amend the Tax Code to include that an exemption under Section 11.1827 of the new chapter, once allowed, need not be claimed in subsequent years and to apply to the property until it changes ownership or the person's qualifications for the exemption change.

The bill would amend the Tax Code to require the chief appraiser to take into account the extent to which the use and limitation of the property reduces the market value.

The bill would apply only to an ad valorem tax imposed for a tax year beginning on or after the effective date of the bill, which would be January 1, 2010.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies:

LBB Staff: JOB, DB