

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

April 26, 2011

TO: Honorable Harvey Hilderbran, Chair, House Committee on Ways & Means

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

IN RE: HB2100 by Lewis (relating to the exemption from taxation of property of a local government corporation.), **Committee Report 1st House, Substituted**

The bill would ensure that property located outside the boundaries of a local government that created a local government corporation would not be exempt from ad valorem taxation and the result could be an increase in state revenues.

The bill would amend Chapter 431 of the Transportation Code, regarding the Texas Transportation Corporation Act.

The bill would specify that property of a local government corporation (LGC) located outside the boundaries of a local government that created the LGC would not be exempt from ad valorem taxation.

Under current law, all property of a local government corporation (LGC) and the transaction to acquire such property are exempt from ad valorem taxation in the same manner as a corporation created under Chapter 394, Local Government Code. The bill would ensure that property located outside the boundaries of a local government that created the LGC would not be exempt from ad valorem taxation and the result could be an increase in state and local tax revenues.

Because the number of LGCs that could be affected by the bill's provisions, and the types of taxes that might be paid are not known, the fiscal impact cannot be determined.

The bill would take effect immediately upon enactment, assuming that it received the requisite two-thirds majority votes in both houses of the Legislature. Otherwise, it would take effect September 1, 2011.

Local Government Impact

The bill would ensure that property located outside the boundaries of a local government that created a local government corporation would not be exempt from ad valorem taxation and the result could be an increase in local tax revenues.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, KK, SD, SJS, TP