

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

April 10, 2011

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

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

IN RE: HB3133 by Rodriguez, Eddie (Relating to the appraisal for ad valorem tax purposes of property on which housing is being or has been built or repaired for sale to a low-income individual or family.), **As Introduced**

The bill's provisions that would continue certain low income housing exemptions, and that would create an exception for qualified agricultural land transferred to certain low-income housing organizations from the additional taxes and interest that would normally apply upon a change of use of the land, would create a cost to the State through the operation of the school funding formula.

The bill would amend the Tax Code to allow the continuation of an exemption for low income housing under Section 11.1825 when the property is transferred to a nonprofit organization that claims an exemption for the property under Section 11.181(a). The bill would only allow the exemption of a transferred property under Section 11.181(a) for the first five years after it was acquired by the transferring organization.

The bill would add subsection (c) to Section 23.21 to require that a chief appraiser take into account the extent to which sales price restrictions, resale restrictions, or other restrictions would reduce the market value of the property.

The bill would amend Section 23.55 to create an exception for qualified agricultural property transferred to an organization improving property for low-income housing under Section 11.181(a) from the additional taxes and interest that would otherwise be imposed upon a change of use of the land.

The bill's provisions that would continue certain low income housing exemptions, and that would create an exception for qualified agricultural land transferred to certain low-income housing organizations from the additional taxes and interest that would normally apply upon a change of use of the land, would create a cost to units of local government and the state. No information is available on the amount or value of property that would be transferred under the bill's provisions. Consequently, the fiscal impact on units of local government and the State cannot be estimated.

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's provisions that would continue certain low income housing exemptions, and that would create an exception for qualified agricultural land transferred to certain low-income housing organizations from the additional taxes and interest that would normally apply upon a change of use of the land, would create a revenue loss to units of local government.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, KK, SD, SJS