

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

May 6, 2013

TO: Honorable Tommy Williams, Chair, Senate Committee on Finance

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB294 by Rodriguez, Eddie (Relating to the exemption from ad valorem taxation of certain property owned by a charitable organization and used in providing housing and related services to certain homeless individuals.), **As Engrossed**

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| No significant fiscal implication to the State is anticipated. |
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This bill would amend Section 11.18 of the Tax Code, regarding property taxation, taxable property and exemptions, to exempt all property used to provide charitable housing and related services to the homeless. Current law exempts only the property improvements. To qualify, the property must be owned by a charitable organization that is organized exclusively to perform religious, charitable, scientific, literary, or educational services and that provides housing and related services to individuals who are unaccompanied, homeless, have a disabling condition, and have been continuously homeless for a year or more or have had at least four episodes of homelessness in the preceding three years. The exemption would apply only to property that is owned by a qualifying charitable organization that has been in existence for 12 years and that is located on or consists of a single campus in a city with a population of more than 750,000 and less than 850,000 or within the extraterritorial jurisdiction of such a city.

The bill's population criteria would result in the bill's provisions applying to the city of Austin. Only one charitable organization (Mobile Loaves & Fishes) would appear to qualify for the proposed exemption. Mobile Loaves & Fishes owns a 27 acre site in the extraterritorial jurisdiction of Austin that it intends to develop into a community for the chronically homeless. The current taxable value of the proposed site is \$118,938, which would be exempt under the bill if Mobile Loaves & Fishes meets all the other legal requirements for the exemption. Site improvements would be exempt under current law. The exemption requirements under the bill are such that the bill would not have a significant impact.

This bill would take effect January 1, 2014.

Local Government Impact

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

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: UP, KK, SD, SJS