

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

May 22, 2015

TO: Honorable Joe Straus, Speaker of the House, House of Representatives

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB2679 by Flynn (Relating to the powers of a public facility corporation.), **As Passed 2nd House**

No significant fiscal implication to the State is anticipated.

Subsection 303.041(d), Local Government Code could change the taxable status of property. Property that was exempt as property owned by a taxing unit and used for a public purpose could become a taxable leasehold under Section 23.13 of the Tax Code if it is listed in the name of the owner of the leasehold (Section 25.07 of the Tax Code). This would create a gain to the taxing unit. There are several exceptions in current law.

Section 303.042(f) would create an exception that would prevent the property from becoming taxable, and thereby prevent the gain. It is possible that some property not used for a public purpose would be granted a new exemption, which would create a cost. Without knowing the specifics, the cost cannot be estimated.

Local Government Impact

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

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: UP, KVe, AG