

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION**

**May 21, 2015**

**TO:** Honorable Jane Nelson, Chair, Senate Committee on Finance

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB3623** by Gonzales, Larry (Relating to the exemption from ad valorem taxation of property owned by the National Hispanic Institute.), **As Engrossed**

<p><b>No significant fiscal implication to the State is anticipated.</b></p>
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The bill would amend Chapter 11 of the Tax Code, regarding taxable property and exemptions, to provide an exemption from property taxation of the real and tangible personal property owned by the National Hispanic Institute (NHI) as long as the organization is exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, as an organization described by Section 501(c)(3) of that code.

Under the bill the headquarters of the NHI and the land on which the headquarters is located would be exempt from property taxation. The headquarters, according to the NHI website, is located approximately 26 miles southeast of Austin, Texas, on a 46-acre parcel of land. Construction on the NHI campus is expected to begin in the near future. It is possible that all or part of this property could be exempted under current law as property owned by a charitable organization or as a school. To the extent that this property cannot be exempted under current law, this exemption would create a cost to units of local government and to the state through the operation of the school funding formulas. The cost is not expected to be significant.

The bill would take effect January 1, 2016.

**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