

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

**FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION**

**April 30, 2019**

**TO:** Honorable Dustin Burrows, Chair, House Committee on Ways & Means

**FROM:** John McGeady, Assistant Director    Sarah Keyton, Assistant Director  
Legislative Budget Board

**IN RE: HB164** by Raymond (Relating to the exclusion from the market value of real property for ad valorem tax purposes of the value of any improvement, or any feature incorporated in an improvement, made to the property if the primary purpose of the improvement or feature is compliance with the requirements of standards that address accessible design of buildings or other facilities.), **As Introduced**

**Passage of the bill would exclude the value of any improvement, if its primary purpose is to comply with federal requirements under the 2010 Americans with Disabilities Act. Contingent on adoption of a constitutional amendment, taxable property values could be reduced and the related costs to the Foundation School Fund could be increased through the operation of the school finance formulas.**

The bill would add new section to Chapter 23 of the Tax Code, regarding appraisal methods and procedures, to require the chief appraiser, when determining the market value of real property, to exclude the value of any improvement or any feature incorporated in an improvement, if its primary purpose is to comply with federal requirements under the 2010 Americans with Disabilities Act (ADA) Standards for Accessible Design or any successor standards that address accessible design of buildings or other facilities. The change in law applies to an improvement or a feature if added to the property on or after January 1, 2019.

The bill's provisions excluding the value of any improvement or any feature incorporated in an improvement, if its primary purpose is to comply with federal requirements under ADA could reduce taxable property values and the related revenue for local taxing units and would be a cost to local taxing units and to the state through the school funding formulas. The number of properties and corresponding values that would qualify to be excluded under the bill is unknown; consequently, the cost of the bill cannot be estimated.

The bill would be effective January 1, 2020, contingent on approval by voters of a constitutional amendment (HJR 20).

**Local Government Impact**

Passage of the bill would exclude the value of any improvement, if its primary purpose is to comply with federal requirements under the 2010 Americans with Disabilities Act. Contingent on adoption of a constitutional amendment, taxable property values and the related ad valorem tax revenue for units of local government could be reduced.

**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** WP, KK, SD, SJS