

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

March 25, 2019

TO: Honorable Paul Bettencourt, Chair, Senate Committee on Property Tax

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

IN RE: SB717 by Lucio (Relating to the exemption from ad valorem taxation of property owned by a charitable organization that provides a meeting place and support services for organizations that provide assistance to alcoholics or their families.), **As Introduced**

Passage of the bill would exempt certain real and personal property owned by charitable organizations that provide a meeting place and support services for organizations that provide assistance to alcoholics or their families. As a result, 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 amend Chapter 11 of the Tax Code, regarding property tax exemptions, to add "providing a meeting place and support services for organizations that provide assistance to alcoholics or their families" to the list of charitable functions that would enable a charitable organization to qualify for a property tax exemption of certain real and personal property.

The bill would create a cost to local taxing units and the state through the school finance formulas by exempting certain real and personal property owned by charitable organizations that provide a meeting place and support services for organizations that provide assistance to alcoholics or their families. The number of eligible charitable organizations and value of additional property that would be exempt under the bill is unknown. Consequently, the cost of the bill cannot be estimated.

The bill would take effect January 1, 2020.

Local Government Impact

Passage of the bill would exempt certain real and personal property owned by charitable organizations that provide a meeting place and support services for organizations that provide assistance to alcoholics or their families. As a result, 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