

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

**FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION**

**March 6, 2021**

**TO:** Honorable Morgan Meyer, Chair, House Committee on Ways & Means

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: HB115** by Rodriguez (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 Introduced**

Passage of the bill would remove the requirement that qualified property be located on or consist of a single campus, which could result in more properties being eligible for the exemption. 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 to remove the requirement that property be located on or consist of a single campus to qualify for a property tax exemption by a charitable organization providing housing and related services to homeless individuals. This property tax exemption is available only for property located in a municipality with population greater than 750,000 and less than 850,000 or in the extraterritorial jurisdiction thereof (based on the 2010 decennial census, City of Austin).

Removing the requirement that qualified property be located on or consist of a single campus could result in more properties being eligible for the exemption. 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 value of property owned by eligible charitable organizations that would be exempt under the bill and that is not already exempt is unknown.

**Local Government Impact**

The fiscal implications of the bill cannot be determined at this time. Passage of the bill would remove the requirement that qualified property be located on or consist of a single campus, which could result in more properties being eligible for the exemption. 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:** JMc, KK, SD, BRi