

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

May 20, 2021

TO: Honorable Paul Bettencourt, Chair, Senate Committee on Local Government

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB1931 by Walle (Relating to requirements for beneficial tax treatment related to a leasehold or other possessory interest in a public facility used to provide multifamily housing.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

However, the bill could create an indeterminate revenue gain to the State through the school funding formula by limiting the amount of property that would qualify for future property tax exemptions.

The bill would amend Chapter 303 of the Local Government Code, regarding public facility corporations. The bill would specify that the current property tax exemption for leaseholds or other possessory interest in a public facility applies to a public facility used to provide multifamily housing only if the public facility user meets specified low-income housing requirements.

According to the Comptroller of Public Accounts (CPA), the bill's provisions could limit the amount of property that would qualify for future property tax exemptions, creating a revenue gain to local taxing units and the State through the school funding formula. The number and value of properties to which this might apply is unknown and cannot be estimated by the CPA.

Local Government Impact

The bill could create an indeterminate revenue gain to local taxing units by limiting the amount of property that would qualify for future property tax exemptions.

Source Agencies: 304 Comptroller of Public Accounts, 332 Dept Housing-Comm Affairs

LBB Staff: JMc, AF, CMA, DPE