

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

April 6, 2023

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: SB1278 by Bettencourt (Relating to certain public facilities used to provide affordable housing.), **As Introduced**

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 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 occupancy requirements.

The bill would exempt materials used by a person receiving a current property tax exemption for leaseholds or other possessory interest in a public facility to improve the real property of the public facility from all sales and use taxes.

It is assumed that related administrative costs to the Comptroller of Public Accounts could be absorbed using existing resources.

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 Department of Housing and Community Affairs, 352 Bond Review Board

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