

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

March 30, 2025

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB1035 by Talarico (Relating to the criteria for a local option exemption from ad valorem taxation by a county or municipality of all or part of the appraised value of real property used to operate a child-care facility.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would define “net lease” to mean a lease in which the lessee pays rent plus the ad valorem taxes for the property for the purposes of the local-option property tax exemption for a qualified child care facility.

The bill would require the affidavit included with the application for the exemption certify to the chief appraiser that the property is subject to a net lease under which the lessee is directly responsible for the payment of property taxes imposed on the property.

The bill would not affect taxable property values, tax rates, collection rates, or any other variable that might affect the revenues of units of local governments or the state.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JMc, KK, SD, BRI