

**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**

<b>No significant fiscal implication to the State is anticipated.</b>
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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