

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

**FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION**

**April 27, 2025**

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

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

**IN RE: HB3646** by Capriglione (Relating to the exemption from sales and use taxes for certain information provided by or on behalf of a homeowners' association.), **As Introduced**

**No significant fiscal implication to the State is anticipated.**

The bill would restructure the exclusion of certain information furnished to a member of a homeowners association (HOA) by the association or on behalf of the association from taxation as an information service. Section 151.0038(a) would be amended to omit the exclusion from the definition of information service, and a comparable exclusion of the provision of information to a member of an HOA, or the member's representative, agent, lender, or title company, from the definition of taxable service would be added as Subsection (c) of Section 151.0101.

The bill would take effect immediately upon enactment, assuming it received the requisite two-thirds majority votes in both houses of the Legislature. Otherwise, it would take effect September 1, 2025.

Under current law, information provided by a HOA to a homeowner or their representative, agent, lender or title company is not taxable. An HOA may, however, choose to use third party providers to compile, store, and distribute forms and information to homeowners and representatives on behalf of the HOA. This activity is taxable under current law as data processing services, and would remain taxable as the restructured exclusion for HOA-related information services proposed by the bill would not alter the taxation of data processing services.

The exclusion added as Sec. 151.0101(c) expands the current exclusion somewhat, and includes specific examples of documents within the exclusion. However, according to the Comptroller the expansion of the exclusion is not expected to have significant fiscal implications.

**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