

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

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

**May 12, 2025**

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

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

**IN RE: HB4478** by Turner (Relating to the determination of the capitalization rate to be used in the appraisal for ad valorem tax purposes of certain property used for low-income housing.), **Committee Report 1st House, Substituted**

<b>No significant fiscal implication to the State is anticipated.</b>
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The bill would require the Texas Department of Housing and Community Affairs (TDHCA) to annually adopt the capitalization rate that must be used by the chief appraiser of each appraisal district to appraise property receiving an exemption as an organization constructing or rehabilitating low-income housing that also receives an exemption under Subchapter DD of Section 2306 of the Government Code.

The bill would require an appraisal district to publish the capitalization rate determined by TDHCA on the district's website.

The bill would not directly 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. However, for an appraisal district that does not currently determine its capitalization rate consistent with the rate adopted by TDHCA, there could be an impact on the appraisal of certain low-income housing property.

**Local Government Impact**

Passage of the bill would provide certain requirements related to the capitalization rate used in the appraisal of certain low-income housing. To the extent an appraisal district does not currently determine its capitalization rate consistent with the rate adopted by TDHCA, there could be an impact on the appraisal of certain low-income housing property.

**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** JMc, KK, SD, BRI