

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

May 14, 2003

TO: Honorable Teel Bivins, Chair, Senate Committee on Finance

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB2726 by Talton (Relating to authorizing an owner of inventory to waive the right to have the inventory appraised for ad valorem tax purposes at the price for which it would sell as a unit.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

The bill would allow an owner of a business inventory to waive, in writing, the right to have the inventory appraised at the price for which it would sell as a unit to a purchaser who would continue the business.

Current law permits an owner of real property appraised at its productivity value or by other special methods of appraisal under Chapter 23 of the Tax Code to waive the right to that special appraisal and have their land appraised at its market value.

Since passage of this bill would allow a property owner the discretion to make an economic decision relative to the appraisal of his or her inventory, there would likely be a minimal impact on taxable property values.

Local Government Impact

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

Source Agencies: 304 Comptroller of Public Accounts, 582 Commission on Environmental Quality, 601 Department of Transportation

LBB Staff: JK, SD, WP, DLBe