

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 28, 2003

TO: Honorable Fred Hill, Chair, House Committee on Local Government Ways and Means

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB3423 by Lewis (Relating to the ad valorem tax appraisal of qualified timber land.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend the definition of "net to land" to include income from hunting and recreational leases in the determination of net income.

Section 403.302 of the Government Code requires the Comptroller to conduct a property value study to determine the total taxable value for each school district. Total taxable value is an element in the state's school funding formula. Passage of this bill would increase school district taxable values reported to the Commissioner of Education by the Comptroller and reduce costs to the Foundation School Fund. This bill would increase the average net income used in the calculation of timber land values in jurisdictions where hunting and recreational leases are used by prudent managers of qualified timber land. Since the value of qualified timber land accounts for a small percentage of the total taxable property value, it is assumed that the increase in total tax levies to units of local government and the related savings to the Foundation School Fund would not be significant.

Local Government Impact

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

Source Agencies: 304 Comptroller of Public Accounts, 802 Parks and Wildlife Department

LBB Staff: JK, SD, WP, DLBe