

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

May 17, 2005

TO: Honorable Steve Ogden, Chair, Senate Committee on Finance

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: HB312 by McReynolds (Relating to the additional tax imposed on land appraised for ad valorem taxation as timber land that is claimed as part of a residence homestead or diverted to certain other uses.), **As Engrossed**

No fiscal implication to the State is anticipated.

This bill would waive imposition of the rollback penalty for change of use of qualified timber land if the land is: 1) changed for use as the owner's residence homestead; 2) owned by a religious organization and converted to a religious use within five years; or 3) under limited circumstances, used by a not-for-profit cemetery organization. The rollback tax is the difference between the taxes paid on land's productivity value and the taxes that would have been paid if the land had been taxed at its higher market value.

Since the bill would not change property values, no fiscal impact to the State is anticipated.

Local Government Impact

Passage of this bill could result in a revenue loss to units of local government. The amount of lost revenue would depend on the number of land use changes that occur and the taxable and market values of those parcels.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, SD, WP, DLBe