

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

April 20, 2005

TO: Honorable Jim Keffer, Chair, House Committee on Ways & Means

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

IN RE: HB2611 by Guillen (Relating to the reappraisal for ad valorem tax purposes of agricultural or open-space land in a tick eradication quarantine area.), **As Introduced**

Passage of the bill would modify the appraisal of certain property based on the existence of tick infestation on the property. As a result, taxable property values could be reduced and the related costs to the Foundation School Fund could be increased.

The bill would allow the owner of designated agricultural and qualified open-space land used in an area designated as a tick eradication quarantine area by the Texas Animal Health Commission to request the chief appraiser to reappraise the land as soon as practicable. In determining appraised value of the land, the chief appraiser would take into consideration the effect on the value of the land caused by the infestation of ticks. The cost of the reappraisal would be shared by the taxing units participating in the appraisal district.

The bill would require a chief appraiser to compare the appraised value before and after the reappraisal, having taken into consideration the effect of tick infestation. If tick infestation reduced the value, property taxes would be prorated based on the number of days before and after the reappraisal.

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 could cause a change in school district taxable values reported to the Commissioner of Education by the Comptroller.

Local Government Impact

Passage of the bill would modify the appraisal of certain property based on the existence of tick infestation on the property. As a result, taxable property values and the related ad valorem tax revenue for units of local government could be reduced.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, SD, WP, DLBe