

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 16, 2007

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

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

IN RE: HB913 by King, Phil (Relating to the ad valorem tax situs of certain portable drilling rigs.),
Committee Report 1st House, Substituted

No significant fiscal implication to the State is anticipated.

The bill would add Section 21.02(e) to Chapter 21 of the Tax Code to define "more than a temporary period" for purposes of establishing the taxable situs (location) of portable drilling rigs.

Because the state is constitutionally prohibited from imposing a state property tax, there would be no direct fiscal impact on the state; however, 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.

Passage of this bill would, in some circumstances, change the taxable situs of portable drilling rigs. Revenue currently collected by some taxing units would be collected by other taxing units.

The bill would take effect January 1, 2008.

Local Government Impact

Passage of this bill would, in some circumstances, change the taxable situs of portable drilling rigs. Revenue currently collected by some taxing units would be collected by other taxing units.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, CT, SD, SJS