BILL ANALYSIS

Senate Research Center   H.B. 4713
81R6318 SGA-D   By: Miller, Doug (Wentworth)
                                                                        Natural Resources
                                                                                5/14/2009
                                                                                Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Cow Creek Groundwater Conservation District (district) currently levies an ad valorem tax. The district is required to implement a tax relief program for utilities. These exemptions are difficult and costly to apply. The exemptions would be of such a small monetary amount that the cost of calculating and implementing the program would be far greater than the exemption granted and would not lend itself to promoting the conservation of groundwater. This bill would remove the requirement that the district implement the tax relief program.

H.B. 4713 amends current law relating to certain exemptions from ad valorem taxes imposed by the district.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Sections 3.0111(f) and (h), Chapter 966, Acts of the 77th Legislature, Regular Session, 2001, as follows:

> (f) Authorizes the Cow Creek Groundwater Conservation District (district) to adopt rules providing for granting exemptions from ad valorem taxes on property on which a water conservation initiative has been implemented as provided by Section 11.32 (Certain Water Conservation Initiatives), Tax Code. Deletes existing text requiring the district to grant an exemption or other relief from ad valorem taxes on property on which a water conservation initiative has been implemented. Deletes existing text requiring the district to adopt rules to implement this subsection. Deletes existing text requiring a retail public utility to receive the same exemption or relief from ad valorem taxes on property as any other customer of the district would receive.

> (h) Prohibits the total amount of the exemption from ad valorem taxes from exceeding one-half of the tax imposed by the district. Deletes existing text prohibiting the total amount of the exemption or other relief from ad valorem taxes from exceeding one-half of the tax levied by the district.

SECTION 2. Amends Sections 11(f) and (i), Chapter 1349, Acts of the 77th Legislature, Regular Session, 2001, as follows:

> (f) Authorizes, rather than requires, the district to adopt rules providing for granting exemptions from ad valorem taxes on property on which a water conservation initiative has been implemented as provided by Section 11.32, Tax Code. Deletes existing text requiring that the rules adopted by the district be consistent with the rules adopted by the comptroller of public accounts to implement Section 11.32, Tax Code.

> (i) Provides that the total amount of the exemption from ad valorem taxes may not, rather than shall not, exceed one-half of the tax imposed by the district.

SECTION 3. Repealers: Section 3.0111(g) (relating to the district granting an exemption or other relief from ad valorem taxes on property served by a retail public utility based on certain

actions from the retail public utility), Chapter 966, Acts of the 77th Legislature, Regular Session, 2001; and Sections 11(g) (relating to the requirement that a retail public utility is eligible to receive exemption from ad valorem taxes on property on the same grounds as for any other district customer) and (h) (relating to the district considering certain impacts on the retail public utility's ability to supply water from sources other than groundwater), Chapter 1349, Acts of the 77th Legislature, Regular Session, 2001.

SECTION 4. Provides that the changes in law made by this Act apply only to ad valorem taxes imposed by the Cow Creek Groundwater Conservation District for a tax year beginning on or after January 1, 2010.

SECTION 5. Provides that all requirements of the constitution and laws of this state and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this Act are fulfilled and accomplished.

SECTION 6. Effective date: upon passage or September 1, 2009.