

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

March 19, 2011

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

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

IN RE: SB449 by Watson (Relating to the appraisal for ad valorem tax purposes of open-space land devoted to water stewardship purposes on the basis of its productive capacity.), **As Introduced**

No fiscal implication to the State is anticipated.

The bill would amend Chapter 23 of the Tax Code, regarding property taxation appraisal methods and procedures, to add "water stewardship" to the list of land uses that may qualify for productivity appraisal. The bill would define water stewardship as actively using land in three out of a list of seven activities to promote and sustain water quality and conservation of water resources; or maintaining a water right on deposit in the Texas Water Trust in accordance with Section 15.7031 of the Water Code; or holding a water right that authorizes the use of water for in stream flows dedicated to environmental needs or bay and estuary inflows as provided by Section 11.0237 of the Water Code.

To qualify for water stewardship use the land would be required to be appraised as qualified open-space or timber land at the time the water stewardship use began, at the time a water right was deposited in the Texas Water Trust, or at the time a water right was amended to authorize the use of water for instream flows dedicated to environmental needs or bay and estuary inflows

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, KK, SD, SJS