

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 12, 2013

TO: Honorable Harvey Hilderbran, Chair, House Committee on Ways & Means

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB1897** by Eiland (relating to the exemption from ad valorem taxation of pollution control property.), **Committee Report 1st House, Substituted**

<p>No significant fiscal implication to the State is anticipated.</p>
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This bill would amend Section 11.31, Tax Code, to prohibit a chief appraiser from accepting an application for a pollution control exemption and provides a property owner is not entitled to the exemption unless the property owner provides to the chief appraiser, at the time the property owner files the application, a copy of the letter issued by the Texas Commission on Environmental Quality (TCEQ) determining that the property is used wholly or partly as pollution control property. The bill would provide that a property owner is not entitled to the exemption or to relief for the denial of the exemption, in whole or in part, for any tax year preceding the tax year in which the property owner satisfies this requirement.

The bill's provision that a property owner is not entitled to the exemption or to relief for the denial of the exemption, in whole or in part, for any tax year preceding the tax year in which the property owner files a determination letter from TCEQ, along with the application, with the chief appraiser, could, in some instances, move the exemption's effective date forward. This provision would create a gain to units of local government and to the state through the operation of the school finance formula. The gain, however, is not expected to be significant.

This bill would take effect immediately upon enactment, assuming that it received the requisite two-thirds majority votes in both houses of the Legislature. Otherwise, it would take effect September 1, 2013. The changes in the bill would apply only to an application for an exemption that is pending before a chief appraiser on the effective date of this bill or is filed with a chief appraiser on or after the effective date of this bill.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: UP, KK, SD, SJS