

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

March 28, 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.), **As Introduced**

<p>No significant fiscal implication to the State is anticipated.</p>
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The bill would amend Section 11.31, Tax Code, to specify that a pollution control property determination by the Texas Commission on Environmental Quality (TCEQ) becomes final on January 1, of the year following the year in which the determination, or any appeal of the determination, is final. The bill would also permit the executive director of TCEQ to require a person allowed an exemption in a prior year to file a new permit application to confirm their current exemption qualification.

The bill's provision specifying that January 1, of the year following the year a determination is made is the date on which a pollution control property determination is final could, in some instances, move the exemption's effective date forward. The bill's provision allowing TCEQ to require a new permit application to verify the property's current pollution control status could, in some instances, prevent the exemption of property that is not qualified for the property tax exemption. These provisions 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.

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