

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

May 13, 2015

TO: Honorable Jane Nelson, Chair, Senate Committee on Finance

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB1464** by Raymond (Relating to the procedure for determining that certain land is no longer eligible for appraisal for ad valorem tax purposes as agricultural or open-space land.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

This bill would amend Chapter 23 of the Tax Code. The bill would require a chief appraiser, before making a determination that a change in use of land has occurred, to deliver a written notice to an owner who is age 65 or older stating the chief appraiser believes a change in use may have occurred. The notice would be required to include a form on which the owner may indicate the land remains eligible for special appraisal. A chief appraiser would be required to consider the land owner's response in determining the land's eligibility for special appraisal.

If the chief appraiser does not receive a response on or before the 60th day after the date the notice is mailed, the chief appraiser must make a reasonable effort to locate the owner and determine whether the land remains eligible for special appraisal. A reasonable effort would be an additional notice by first class mail or in another manner that the chief appraiser determines is appropriate.

The bill, in some instances, might prevent land from losing eligibility for reduced special property tax appraisal as qualified agricultural land. In these instances, there would be a cost to local taxing units and to the state through the operation of the school funding formula. According to the Comptroller of Public Accounts, the cost would not be significant because there are few reported instances of land inappropriately being denied eligibility.

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, SZ, JJ, BRi