

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION**

**April 25, 2017**

**TO:** Honorable Dennis Bonnen, Chair, House Committee on Ways & Means

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB2591** by Herrero (Relating to the exemption from taxes and special assessments of property of a navigation district.), **As Introduced**

**To the extent that navigation district property is not currently exempt, there would be a cost to local taxing units and to the State through the school funding formula.**

The bill amends Chapter 60 of the Water Code, relating to navigation districts, to provide that navigation district property is public property used for essential public and governmental purposes. The district and district's property would be exempt from all taxes and special assessments imposed by the state or a political subdivision of this state.

Currently, property owned by a political subdivision is exempt from property taxation if it used for public purposes. To the extent that navigation district property is taxable (not currently exempt), there would be a cost to local taxing units and to the state through the school funding formula. The amount and value of property owned by navigation districts that is not currently exempt is unknown and therefore the fiscal impact cannot be estimated.

The bill would take effect immediately upon enactment, assuming it received the requisite two-thirds majority votes in both houses of the Legislature. Otherwise, it would take effect September 1, 2017.

**Local Government Impact**

To the extent that navigation district property is not currently exempt, there would be a cost to local taxing units.

**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** UP, KK, AG, BM