

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

May 8, 2019

TO: Honorable Paul Bettencourt, Chair, Senate Committee on Property Tax

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: HB1526 by Bell, Cecil (Relating to the treatment of a nursery stock weather protection unit as an implement of husbandry for ad valorem tax purposes.), **As Engrossed**

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| <p>No significant fiscal implication to the State is anticipated.</p> |
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The bill would amend Chapter 11 of the Tax Code, regarding taxable property and exemptions, to provide that a nursery stock weather protection unit is considered to be an implement of husbandry that is exempt from property taxation.

Section 71.041 of the Agriculture Code defines "nursery stock weather protection unit" and provides that such units are implements of husbandry for all purposes, including Article VIII, Section 19a, of the Texas Constitution. This constitutional provision exempts implements of husbandry from property taxation. The bill's provision is a clarification of the exempt status of nursery stock weather protection units that may be needed because of confusion introduced by the interaction of certain case law with successive amendments to the Agriculture Code and Tax Code provisions related to the exemption of implements of husbandry. The value involved in certain appraisal districts not currently treating the weather protection units as exempt is not considered significant.

The bill would take effect January 1, 2020.

Local Government Impact

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

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: WP, KK, SD, SJS