

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

**FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION**

**May 2, 2019**

**TO:** Honorable Chris Turner, Chair, House Committee on Higher Education

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

**IN RE:** **HB3853** by Walle (relating to biological and environmental research conducted on private land by a public or private institution of higher education and the eligibility of that land for appraisal for ad valorem tax purposes as qualified open-space land; authorizing a fee.), **Committee Report 1st House, Substituted**

**Depending on how the principle use requirement is interpreted by appraisal districts currently appraising land that is used as an ecological laboratory, compared to the land that would qualify under this new program, the bill could create a loss or a gain to the state through the school finance formulas by causing more or less land to qualify for special appraisal under this bill.**

The bill would add new Subchapter PP to Chapter 61 of the Education Code regarding biological and environmental research conducted on private land.

The bill would require the Texas Higher Education Coordinating Board (THECB) to establish a program to review the scientific validity of proposed biological and environmental research conducted by a public or private institution of higher education on private property under agreement with the landowner. The bill would require the THECB to develop a form for a written agreement to be used by a public or private institution of higher education and a landowner to govern biological and environmental research conducted by the institution on the landowner's land; and in collaboration with the Comptroller, a form for a written certification statement to be submitted by a landowner who enters into an agreement with the landowner's application under Subchapter D, Chapter 23, Tax Code, claiming the land is eligible for appraisal under that subchapter.

The bill would amend Section 23.51 of the Tax Code, regarding definitions related to appraisal of agricultural land, to add land that is used for biological and environmental research under an agreement under Subchapter PP, Chapter 61, Education Code to the definition of "Qualified open-space land" and as such would qualify for special open-space land appraisal.

Special open-space land appraisal results in an appraised value for property tax purposes that is significantly less than the market value. Depending on how the principle use requirement is interpreted by appraisal districts currently appraising land that is used as an ecological laboratory under Subchapter D, Chapter 23, Tax Code compared to the land that would qualify under this new program the bill could create a loss or a gain to local taxing units and to the state through the school finance formulas by causing more or less land to qualify for special appraisal under this bill.

The impact of this new program and the amount of ecological laboratory or biological and environmental research land that would or would not qualify compared to land that currently qualifies is unknown; consequently, the fiscal impact cannot be estimated.

The bill would take effect January, 1 2020.

### **Local Government Impact**

Passage of the bill would provide that land that consists of 20 or more acres which is the subject of an agreement to perform biological and environmental research is eligible for appraisal as qualified open-space land under Subchapter D, Chapter 23, Tax Code, if the land is subject to an executed written agreement and the landowner files the written statement for the tax year for which the qualified open-space land appraisal is sought. Depending on how the principle use requirement is interpreted by appraisal districts currently appraising land that is used as an ecological laboratory under Subchapter D, Chapter 23, Tax Code compared to the land that would qualify under this new program the bill could create a loss or a gain to local taxing units by causing more or less land to qualify for special appraisal under this bill.

**Source Agencies:** 304 Comptroller of Public Accounts, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration, 758 Texas State University System, 768 Texas Tech University System Administration, 769 University of North Texas System Administration, 783 University of Houston System Administration, 781 Higher Education Coordinating Board

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