

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

April 30, 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 the administration by the Texas Higher Education Coordinating Board of proposed biological and environmental research by institutions of higher education on private property.), **As Introduced**

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 ecological laboratory land to qualify for special appraisal under this bill.

The bill would add new a subchapter to Chapter 61 of the Education Code regarding biological and environmental research by an institution of higher education on private property.

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, in conjunction with the Comptroller to develop the form of:

- a written agreement to be used by an institution of higher education and a landowner who seeks to devote land principally to biological and environmental research; and
- a written statement to be filed by the landowner with the chief appraiser of the central appraisal district in which the land is located.

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 under this subchapter 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.

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 ecological laboratory land to qualify for special appraisal under this bill.

The impact of this new program and the amount of ecological laboratory 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 ecological laboratory 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, 781 Higher Education Coordinating Board, 783 University of Houston System Administration

LBB Staff: WP, JGAn, DEH, GO, SJS