

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

**FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION**

**April 25, 2021**

**TO:** Honorable Morgan Meyer, Chair, House Committee on Ways & Means

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: HJR106** by White (Proposing a constitutional amendment repealing the provision that subjects land designated for agricultural use to an additional tax when the land is diverted to a purpose other than agricultural use or sold.), **As Introduced**

**Passage of the resolution and voter approval of the amendment would repeal the additional tax under Section 1-d(f), Article VIII of the Texas Constitution that land designated for agriculture use is subject to when it is diverted to a purpose other than that of agricultural use or is sold. Due to lack of data whether land qualified under 1-d or 1-d-1 of the Texas Constitution, the repeal of the additional tax on land designated for agriculture use that qualifies under 1-d alone and the related costs to the Foundation School Fund cannot be estimated.**

The cost to the state for publication of the resolution is \$178,333.

This resolution would propose the repeal of Section 1-d(f), Article VIII of the Texas Constitution which provides that when land designated for agricultural use is subsequently diverted to a purpose other than that of agricultural use, or is sold, the land is subject to an additional tax.

The proposed constitutional amendment, if approved by the voters, would create a cost to units of local government and to the state through the school funding formula. Due to lack of data whether land qualified under 1-d or 1-d-1 of the Texas Constitution, the repeal of the additional tax on land designated for agriculture use that qualifies under 1-d alone cannot be estimated. The impact of repealing the additional tax penalty is shown in the enabling legislation (HB 2288) combined with the repeal of the additional tax penalty and interest of land qualified under 1-d-1.

The proposed amendment would be submitted to voters at an election to be held November 2, 2021.

**Local Government Impact**

The proposed constitutional amendment, if approved by the voters, would create a cost to units of local government. Due to lack of data whether land qualified under 1-d or 1-d-1 of the Texas Constitution, the repeal of the additional tax on land designated for agriculture use that qualifies under 1-d alone cannot be estimated. The impact of repealing the additional tax penalty is shown in the enabling legislation (HB 2288) combined with the repeal of the additional tax penalty and interest of land qualified under 1-d-1.

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

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