

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

May 5, 2011

TO: Honorable Harvey Hilderbran, Chair, House Committee on Ways & Means

FROM: John S O'Brien, Director, Legislative Budget Board

IN RE: HB2049 by Lavender (relating to the eligibility of certain land used to raise or keep bees for appraisal for ad valorem tax purposes as qualified open-space land.), **Committee Report 1st House, Substituted**

The bill's provision that would add beekeeping to the list of land uses that could result in a reduced property tax appraisal would create a cost to the state through the school funding formula.

The bill would amend Chapter 23 of the Tax Code to add beekeeping for the purpose of pollination, food production, or production of other commercial products to the list of activities that could qualify land for the reduced agricultural use property tax appraisal if the activity is at the degree of intensity generally accepted in the area and meets other existing requirements. The bill would provide that land used for these purposes could not be less than five acres but not more than 20 acres.

The bill's provision that would add beekeeping to the list of land uses that could result in a reduced property tax appraisal would create a cost to units of local government and to the state through the school funding formula. The determination of the number of acres per beehive that could qualify would be left up to chief appraisers. The chief appraisers' determinations on the acceptable level of intensity standards and resulting qualification determinations under the bill are unknown. Further, the number of beekeeping agricultural use applications that would be submitted under the bill is unknown.

The bill would take effect on January 1, 2012.

Local Government Impact

The bill's provision that would add beekeeping to the list of land uses that could result in a reduced property tax appraisal would create a cost to units of local government.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, KK, SD, SJS