BILL ANALYSIS

DIGEST

Currently, there are several pooled or unitized mineral interests with production sites located in multiple counties whose property values are set by multiple appraisal districts. Annual appraisal district board hearings to determine property values are set without regard to the percentage of surface area in a pooled or unitized mineral interest that is located in any particular county. This may result in an appraisal district for a county, which has a small percentage of surface area in a given pooled or unitized mineral interest, determining the property values for the entire mineral interest if that district's hearing is set first. This bill would provide that in the event of a protest being filed relating to a pooled or unitized mineral interest, the appraisal district for the county in which at least two-thirds of the surface area is located must hold its hearing first.

PURPOSE

As proposed, H.B. 1552 establishes procedures for determining protests relating to the appraisal of certain pooled or unitized mineral interests.

RULEMAKING AUTHORITY

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 41C, Tax Code, by adding Section 41.455, as follows:

> Sec. 41.455. POOLED OR UNITIZED MINERAL INTERESTS. Requires an appraisal review board for an appraisal district established for the county in which a production site or sites of a property owner who files protests regarding certain pooled or unitized mineral interests to determine the protest and make its decision before another appraisal review board may hold a hearing to determine the protest. Provides that a protest determined by an appraisal review board in violation of this section is void. Makes a conforming change.

SECTION 2.   Effective date: January 1, 2000.
            Makes application of this Act prospective.

SECTION 3. Emergency clause.