

## **BILL ANALYSIS**

Senate Research Center

S.J.R. 16  
By: Estes, Watson  
Finance  
3/16/2011  
As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

S.J.R. 16 amends the Texas Constitution to provide for the appraisal for ad valorem tax purposes of open-space land devoted to water stewardship purposes on the basis of its productive capacity.

Currently, landowners can qualify for several property tax valuation options based on land management practices. One of the more frequently used options is the open space valuation option, commonly referred to as the agricultural exemption. Among the many activities that fit the definition of agricultural use for the purpose of the open space valuation is wildlife management. Adding water stewardship purposes, similar to the way in which wildlife management was added in the past, gives landowners another tool to better manage their property and incentivize doing so in a way that is not cost prohibitive. It also incentivizes land owners to invest in projects to improve water quality and quantity for the state.

As proposed, S.J.R. 16 amends current law relating to proposing a constitutional amendment providing for the appraisal for ad valorem tax purposes of open-space land devoted to water stewardship purposes on the basis of its productive capacity.

### **RULEMAKING AUTHORITY**

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

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 1-d-1(a), Article VIII, Texas Constitution, as follows:

(a) Requires the legislature, to promote the preservation of open-space land, to provide by general law for taxation of open-space land devoted to farm, ranch, wildlife management, or water stewardship purposes on the basis of its productive capacity and authorizes the legislature to provide by general law for taxation of open-space land devoted to timber production on the basis of its productive capacity.

SECTION 2. Adds the following temporary provision to the Texas Constitution:

TEMPORARY PROVISION. (a) Provides that this temporary provision applies to the constitutional amendment proposed by the 82nd Legislature, Regular Session, 2011, providing for the appraisal for ad valorem tax purposes of open-space land devoted to water stewardship on the basis of its productive capacity.

(b) Provides that the amendment to Section 1-d-1(a), Article VIII, Texas Constitution, takes effect January 1, 2012.

(c) Provides that this temporary provision expires January 1, 2013.

SECTION 3. Requires that this proposed constitutional amendment be submitted to the voters at an election to be held November 8, 2011. Sets forth the required language of the ballot.