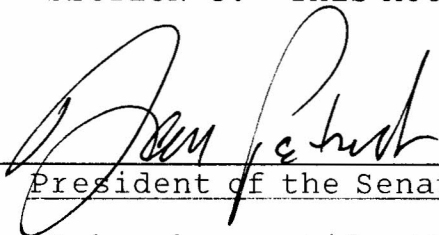


1 at the Henry Hub in nominal dollars per million British thermal
2 units, as applicable, as projected for the current calendar year by
3 the United States Energy Information Administration in the most
4 recently published edition [~~Early Release Overview~~] of the Annual
5 Energy Outlook by the spot price of West Texas Intermediate
6 [~~imported low-sulfur light~~] crude oil in nominal dollars per barrel
7 or the spot price of natural gas at the Henry Hub in nominal dollars
8 per million British thermal units, as applicable, for the preceding
9 calendar year as stated in the same report. If as of March 1 of the
10 current calendar year the most recently published edition of the
11 Annual Energy Outlook was published before December 1 of the
12 preceding calendar year, the chief appraiser shall use the
13 projected current and preceding calendar year spot price of West
14 Texas Intermediate crude oil in nominal dollars per barrel or the
15 spot price of natural gas at the Henry Hub in nominal dollars per
16 million British thermal units, as applicable, as stated in the
17 Short-Term Energy Outlook report published in January of the
18 current calendar year by the United States Energy Information
19 Administration in the price adjustment factor calculations. The
20 price for the interest used in the second through the sixth calendar
21 year of the appraisal may not reflect an annual escalation or
22 de-escalation rate that exceeds the average annual percentage
23 change from 1982 to the most recent year for which the information
24 is available in the producer price index for domestically produced
25 petroleum or for natural gas, as applicable, as published by the
26 Bureau of Labor Statistics of the United States Department of
27 Labor. The price for the interest used in the sixth calendar year

1 of the appraisal must be used in each subsequent year of the
2 appraisal.

3 SECTION 2. This Act applies only to the appraisal for ad
4 valorem tax purposes of a real property interest in oil or gas in
5 place for a tax year beginning on or after the effective date of
6 this Act.

7 SECTION 3. This Act takes effect January 1, 2016. _____

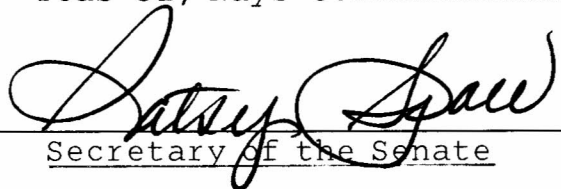


President of the Senate



Speaker of the House

I hereby certify that S.B. No. 1985 passed the Senate on
April 14, 2015, by the following vote: Yeas 31, Nays 0. _____



Secretary of the Senate

I hereby certify that S.B. No. 1985 passed the House on
April 23, 2015, by the following vote: Yeas 137, Nays 2, two
present not voting. _____

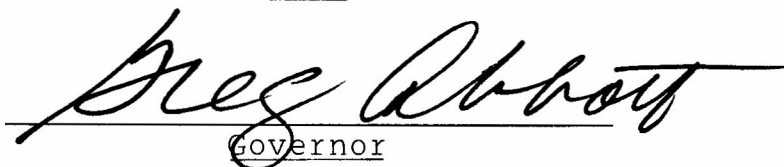


Chief Clerk of the House

Approved:

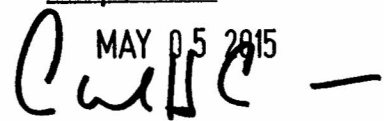
5-5-15

Date



Governor

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
7:00 O'CLOCK

MAY 05 2015


Secretary of State

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

April 2, 2015

TO: Honorable Jane Nelson, Chair, Senate Committee on Finance

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB1985 by Uresti (Relating to the appraisal for ad valorem tax purposes of a real property interest in oil or gas in place.), **As Introduced**

No fiscal implication to the State is anticipated.

The bill would amend Chapter 23 of the Tax Code, regarding property tax appraisal methods and procedures, to provide that, in some specified circumstances for purposes of appraising a real property interest in oil or gas in place, the price adjustment factor is calculated based on the U.S. Energy Information Administration's (EIA's) most recently published edition of the Annual Energy Outlook, rather than EIA's Early Release Overview of the Annual Energy Outlook. If on February 1 of the current calendar year the most recently published edition of the Annual Energy Outlook was published before December 1 of the preceding calendar year, the bill would require the chief appraiser to use for the price adjustment factor calculations the projected and preceding calendar year specified prices as stated in EIA's Short-Term Energy Outlook report published in January of the current calendar year.

The bill also, for purposes of calculating the price adjustment factor, would replace references to the "price of imported low-sulfur light crude oil in nominal dollars" with "spot price of West Texas Intermediate crude oil in nominal dollars per barrel" and would replace references to the "spot price of natural gas at the Henry Hub in nominal dollars" with "spot price of natural gas at the Henry Hub in nominal dollars per million British thermal units."

The bill would make technical corrections to ensure that property tax appraisers have oil and gas price information necessary to perform timely appraisals for the current tax year, but would not affect taxable property values, tax rates, collection rates, or any other variable which might affect the revenues of units of local governments or the state.

The bill would take effect January 1, 2016.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: UP, KK, SD, SJS

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

April 9, 2015

TO: Honorable Jane Nelson, Chair, Senate Committee on Finance

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB1985 by Uresti (relating to the appraisal for ad valorem tax purposes of a real property interest in oil or gas in place.), **Committee Report 1st House, Substituted**

<p>No fiscal implication to the State is anticipated.</p>
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The bill would amend Chapter 23 of the Tax Code, regarding property tax appraisal methods and procedures, to provide that, in some specified circumstances for purposes of appraising a real property interest in oil or gas in place, the price adjustment factor is calculated based on the U.S. Energy Information Administration's (EIA's) most recently published edition of the Annual Energy Outlook, rather than EIA's Early Release Overview of the Annual Energy Outlook. If on March 1 of the current calendar year the most recently published edition of the Annual Energy Outlook was published before December 1 of the preceding calendar year, the bill would require the chief appraiser to use for the price adjustment factor calculations the projected current and preceding calendar year specified prices as stated in EIA's Short-Term Energy Outlook report published in January of the current calendar year.

The bill also, for purposes of calculating the price adjustment factor, would replace references to the "price of imported low-sulfur light crude oil in nominal dollars" with "spot price of West Texas Intermediate crude oil in nominal dollars per barrel" and would replace references to the "spot price of natural gas at the Henry Hub in nominal dollars" with "spot price of natural gas at the Henry Hub in nominal dollars per million British thermal units."

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Local Government Impact

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Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: UP, KK, SD, SJS