

BILL ANALYSIS

Senate Research Center
78R4986 RCJ-D

S.B. 456
By: Armbrister
Finance
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As Filed

DIGEST AND PURPOSE

Currently, the Texas Constitution exempts from ad valorem taxation equipment used by farmers and ranchers but does not exempt boats and other equipment used by the shrimping and fishing industry. As a result, some in the industry register boats and other equipment in neighboring states that offer exemptions, rather than in their home port in Texas. S.B. 456 exempts from ad valorem taxation boats or other equipment used primarily in the commercial taking or production of fish, shrimp, shellfish, or other marine life to sell as food for human consumption.

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 Chapter 11B, Tax Code, by adding Section 11.162, as follows:

Sec. 11.162. COMMERCIAL FISHING BOATS AND EQUIPMENT. Defines "boat." Exempts a person from taxation of each boat the person owns and uses primarily for taking or producing fish, shellfish, or other marine life to sell as food for human consumption. Provides that this exemption applies to nets and other equipment primarily used in connection with a boat that is exempt under this section.

SECTION 2. Amends Section 11.43(c), Tax Code, to add the exemption provided by Section 11.162, as added by this act, to the list of exemptions that, once allowed, need not be claimed in subsequent years, subject to certain provisions.

SECTION 3. Effective date: January 1, 2004, provided that the related constitutional amendment is approved by the voters. Provides that if that proposed amendment is not approved, this Act has no effect.