

By: King of Parker, Burrows, Shine, Rogers

H.B. No. 3833

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the additional ad valorem tax and interest imposed as a
3 result of a change in the use of certain land.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Section 23.86(a), Tax Code, is amended to read as
6 follows:

7 (a) If land that has been appraised under this subchapter is
8 no longer subject to a deed restriction or is diverted to a use
9 other than recreational, park, or scenic uses, an additional tax is
10 imposed on the land equal to the difference between the taxes
11 imposed on the land for each of the three [~~five~~] years preceding the
12 year in which the change of use occurs or the deed restriction
13 expires that the land was appraised as provided by this subchapter
14 and the tax that would have been imposed had the land not been
15 restricted to recreational, park, or scenic uses in each of those
16 years, plus interest at an annual rate of five [~~seven~~] percent
17 calculated from the dates on which the differences would have
18 become due.

19 SECTION 2. Section 23.96(a), Tax Code, is amended to read as
20 follows:

21 (a) If airport property that has been appraised under this
22 subchapter is no longer subject to a deed restriction, an
23 additional tax is imposed on the property equal to the difference
24 between the taxes imposed on the property for each of the three

1 [~~five~~] years preceding the year in which the deed restriction
2 expires that the property was appraised as provided by this
3 subchapter and the tax that would have been imposed had the property
4 not been restricted to use as public access airport property in each
5 of those years, plus interest at an annual rate of five [~~seven~~]
6 percent calculated from the dates on which the differences would
7 have become due.

8 SECTION 3. Sections 23.9807(a) and (b), Tax Code, are
9 amended to read as follows:

10 (a) If the use of land that has been appraised as provided by
11 this subchapter changes to a use that qualifies the land for
12 appraisal under Subchapter E, an additional tax is imposed on the
13 land equal to the sum of:

14 (1) the difference between:

15 (A) the taxes imposed on the land for each of the
16 three [~~five~~] years preceding the year in which the change of use
17 occurs that the land was appraised as provided by this subchapter;
18 and

19 (B) the taxes that would have been imposed had
20 the land been appraised under Subchapter E in each of those years;
21 and

22 (2) interest at an annual rate of five [~~seven~~] percent
23 calculated from the dates on which the differences would have
24 become due.

25 (b) If the use of land that has been appraised as provided by
26 this subchapter changes to a use that does not qualify the land for
27 appraisal under Subchapter E or under this subchapter, an

1 additional tax is imposed on the land equal to the sum of:

2 (1) the difference between:

3 (A) the taxes imposed on the land for each of the
4 three [~~five~~] years preceding the year in which the change of use
5 occurs that the land was appraised as provided by this subchapter;
6 and

7 (B) the taxes that would have been imposed had
8 the land been taxed on the basis of market value in each of those
9 years; and

10 (2) interest at an annual rate of five [~~seven~~] percent
11 calculated from the dates on which the differences would have
12 become due.

13 SECTION 4. The changes in law made by this Act apply only to
14 a change of use of land appraised under Subchapter F, G, or H,
15 Chapter 23, Tax Code, that occurs on or after the effective date of
16 this Act. A change in the use of land appraised under Subchapter F,
17 G, or H, Chapter 23, Tax Code, that occurs before the effective date
18 of this Act is governed by the law in effect on the date the change
19 of use occurred, and the former law is continued in effect for that
20 purpose.

21 SECTION 5. This Act takes effect September 1, 2021.