

By: Bell of Montgomery

H.B. No. 546

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the eligibility of land taken by condemnation for
3 appraisal for ad valorem tax purposes as qualified open-space land.

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

5 SECTION 1. Section 23.56, Tax Code, is amended to read as
6 follows:

7 Sec. 23.56. LAND INELIGIBLE FOR APPRAISAL AS OPEN-SPACE
8 LAND. Land is not eligible for appraisal as provided by this
9 subchapter if:

10 (1) the land is located inside the corporate limits of
11 an incorporated city or town, unless:

12 (A) the city or town is not providing the land
13 with governmental and proprietary services substantially
14 equivalent in standard and scope to those services it provides in
15 other parts of the city or town with similar topography, land
16 utilization, and population density;

17 (B) the land has been devoted principally to
18 agricultural use continuously for the preceding five years; or

19 (C) the land:
20 (i) has been devoted principally to
21 agricultural use or to production of timber or forest products
22 continuously for the preceding five years; and

23 (ii) is used for wildlife management;

24 (2) the land is owned by an individual who is a

1 nonresident alien or by a foreign government if that individual or
2 government is required by federal law or by rule adopted pursuant to
3 federal law to register his ownership or acquisition of that
4 property; ~~or~~

5 (3) the land is owned by a corporation, partnership,
6 trust, or other legal entity if the entity is required by federal
7 law or by rule adopted pursuant to federal law to register its
8 ownership or acquisition of that land and a nonresident alien or a
9 foreign government or any combination of nonresident aliens and
10 foreign governments own a majority interest in the entity; or

11 (4) the land is owned by an entity other than the state
12 or a political subdivision of the state that acquired the land by
13 condemnation.

14 SECTION 2. The change in law made by this Act applies only
15 to the appraisal of land for ad valorem tax purposes for a tax year
16 that begins on or after the effective date of this Act.

17 SECTION 3. This Act takes effect September 1, 2025.