

By: Guillen

H.B. No. 1244

A BILL TO BE ENTITLED

AN ACT

relating to the eligibility of land to continue to be appraised for ad valorem tax purposes as qualified open-space land following a transfer to a person who uses the land in materially the same way as the former owner and to late applications for such appraisal filed by the new owner of the land.

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

SECTION 1. Section 23.54(e-1), Tax Code, is amended to read as follows:

(e-1) For purposes of Subsection (e), the ownership of [the] land that was appraised under this subchapter in the preceding tax year is not considered to have changed if:

(1) the ownership of the land is transferred from the former owner to the surviving spouse of the former owner; or

(2) after the ownership of the land is transferred from the former owner to the new owner:

(A) the new owner uses the land in materially the same way as the former owner used the land during the preceding tax year; and

(B) the use described by Paragraph (A) is overseen or conducted by the same individuals who oversaw or conducted that use during the preceding tax year.

SECTION 2. Section 23.541, Tax Code, is amended by adding Subsection (a-2) and amending Subsection (b) to read as follows:

1 (a-2) Notwithstanding Subsection (a), the chief appraiser
2 shall accept and approve or deny an application for appraisal under
3 this subchapter after the deadline for filing the application has
4 passed if:

5 (1) the land that is the subject of the application was
6 appraised under this subchapter in the preceding tax year;

7 (2) the new owner uses the land in materially the same
8 way as the former owner used the land during the preceding tax year;

9 (3) the use described by Subdivision (2) is overseen
10 or conducted by the same individuals who oversaw or conducted that
11 use during the preceding tax year; and

12 (4) the application is filed not later than the later
13 of:

14 (A) the delinquency date for the taxes on the
15 land for the year for which the application is filed; or

16 (B) the first anniversary of the date the
17 ownership of the land was transferred from the former owner to the
18 new owner.

19 (b) If appraisal under this subchapter is approved when the
20 application is filed late, the owner is liable for a penalty of 10
21 percent of the difference between the amount of tax imposed on the
22 property and the amount that would be imposed if the property were
23 taxed at market value. The penalty prescribed by this subsection
24 does not apply to a late application filed under Subsection (a-1) or
25 (a-2).

26 SECTION 3. This Act takes effect January 1, 2026.