

BILL ANALYSIS

H.B. 1201
By: McReynolds
Local Government Ways and Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Section 23.76 (Timber Land) and Section 23.55 (Agricultural Land) of the Texas Tax Code address the change of use of property under special exemption. Currently, property under agricultural exemption is not subject to a rollback tax if the land will be used as part of the owners homestead, by a religious organization, or by a non-profit cemetery. Unlike Agricultural Land, Timber Land does not have these same exemptions. HB 1201 amends Section 23.76 (Timber Land) of the Texas Tax Code to provide the same exclusions to the rollback tax as found in Section 23.55 (Agricultural Land) thus placing Agricultural Land and Timber Land in parity. This assures that all open-space land will be treated in an equal and uniform manner.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

Section One:

Section 23.76. Change of Use of Land. Amends by adding subsections (h), (i), (j), and (k) as exclusions to the additional tax imposed for changing the use of land. Subsection (h) allows a person to change the use of land as a residence homestead, Subsection (i) allows a religious organization to change the use of land for its use, and Subsections (j) allows certain not for profit cemeteries to change the use of land for an addition to a cemetery.

EFFECTIVE DATE

On passage the Act takes effect September 1, 2003. This law only applies to change of use for land that occurs after the September 1, 2003.