

BILL ANALYSIS

H.J.R. 72
By: Kuempel
Local Government Ways and Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Under current law, Texas requires a buyer of agricultural land, which has lost its qualification as open-space land for tax purposes, to re-apply for and create a new 5-year history before its value as open-space land or agricultural land can be considered. If land loses its qualification as open-space land, under the Tax Code, it is subject to a rollback tax penalty because of the change in usage of the land. This legislation would allow new owners of previously qualified land that had lost its qualification as open-space land in the last 10 years the opportunity to register with the county tax appraiser their intent to convert the land back to agricultural use as open-space land. The owner would receive an immediate tax rate valuation change to open-space land. The owner would then have three years, to re-establish the land to be in total compliance with the current Tax Code degree of intensity standards. If, at the end of three years, the landowner has not met the minimum intensity requirements, the owner would be responsible for paying rollback taxes along with interest for the three years that he had received the lower open-space land valuation for tax purposes.

RULEMAKING AUTHORITY

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

ANALYSIS

House Joint Resolution 72 provides for a constitutional amendment to accompany House Bill 1821. HJR 72 amends section 1-d-1, Article VIII of the Constitution to allow the legislature to enact legislation providing a buyer of agricultural land, upon purchasing the land, the opportunity to register with the county tax appraiser their intent to convert the land back to agricultural use that would qualify it as open-space land, and immediately receive a tax rate valuation change on the basis of its productive capacity. The new owner must be in full compliance with the open-space land qualifications within three years.

FOR ELECTION

The proposed constitutional amendment shall be submitted to the voters at an election to be held November 4, 2003.