

By: Christian

H.B. No. 169

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the capitalization rate used in the ad valorem tax  
3 appraisal of qualified timber land.

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

5 SECTION 1. Section 23.74, Tax Code, is amended to read as  
6 follows:

7 Sec. 23.74. CAPITALIZATION RATE. The capitalization rate  
8 to be used in determining the appraised value of qualified timber  
9 land as provided by this subchapter is 10 percent or the interest  
10 rate specified by the Farm Credit Bank of Texas or its successor on  
11 December 31 of the preceding year plus 2-1/2 percentage points,  
12 whichever percentage is greater.

13 SECTION 2. (a) This Act takes effect January 1, 2004.

14 (b) The change in law made by this Act applies only to the  
15 appraisal of qualified timber land for ad valorem tax purposes for a  
16 tax year that begins on or after the effective date of this Act. The  
17 appraisal of qualified timber land for ad valorem tax purposes for a  
18 tax year that began before the effective date of this Act is  
19 governed by the law in effect when the appraisal of the land was  
20 made, and the former law is continued in effect for that purpose.