

By: Wilson

H.B. No. 480

A BILL TO BE ENTITLED

1 AN ACT

2 relating to eligibility of land located in certain municipalities  
3 to be appraised for ad valorem tax purposes as land designated for  
4 agricultural use, open-space land, timber land, or restricted-use  
5 timber land.

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

7 SECTION 1. Section 23.42, Tax Code, is amended by amending  
8 Subsection (a) and adding Subsection (a-1) to read as follows:

9 (a) Except as provided by Subsection (a-1), an [~~An~~]  
10 individual is entitled to have land the individual [~~he~~] owns  
11 designated for agricultural use if, on January 1:

12 (1) the land has been devoted exclusively to or  
13 developed continuously for agriculture for the three years  
14 preceding the current year;

15 (2) the individual [~~he~~] is using and intends to use the  
16 land for agriculture as an occupation or a business venture for  
17 profit during the current year; and

18 (3) agriculture is the individual's [~~his~~] primary  
19 occupation and primary source of income.

20 (a-1) Land is not eligible to be designated for agricultural  
21 use if the land is located inside the corporate limits of an  
22 incorporated city or town having a population of 500,000 or more.

23 SECTION 2. Section 23.56, Tax Code, is amended to read as  
24 follows:

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

4           (1) the land is located inside the corporate limits of  
5 an incorporated city or town, unless the city or town has a  
6 population of less than 500,000 and:

7           (A) the city or town is not providing the land  
8 with governmental and proprietary services substantially  
9 equivalent in standard and scope to those services it provides in  
10 other parts of the city or town with similar topography, land  
11 utilization, and population density; or

12           (B) the land has been devoted principally to  
13 agricultural use continuously for the preceding five years;

14           (2) the land is owned by an individual who is a  
15 nonresident alien or by a foreign government if that individual or  
16 government is required by federal law or by rule adopted pursuant to  
17 federal law to register his ownership or acquisition of that  
18 property; or

19           (3) the land is owned by a corporation, partnership,  
20 trust, or other legal entity if the entity is required by federal  
21 law or by rule adopted pursuant to federal law to register its  
22 ownership or acquisition of that land and a nonresident alien or a  
23 foreign government or any combination of nonresident aliens and  
24 foreign governments own a majority interest in the entity.

25           SECTION 3. Section 23.77, Tax Code, is amended to read as  
26 follows:

27           Sec. 23.77. LAND INELIGIBLE FOR APPRAISAL AS TIMBER LAND.

1 Land is not eligible for appraisal as provided by this subchapter  
2 if:

3 (1) the land is located inside the corporate limits of  
4 an incorporated city or town, unless the city or town has a  
5 population of less than 500,000 and:

6 (A) the city or town is not providing the land  
7 with governmental and proprietary services substantially  
8 equivalent in standard and scope to those services it provides in  
9 other parts of the city or town with similar topography, land  
10 utilization, and population density; or

11 (B) the land has been devoted principally to  
12 production of timber or forest products continuously for the  
13 preceding five years;

14 (2) the land is owned by an individual who is a  
15 nonresident alien or by a foreign government if that individual or  
16 government is required by federal law or by rule adopted pursuant to  
17 federal law to register his ownership or acquisition of that  
18 property; or

19 (3) the land is owned by a corporation, partnership,  
20 trust, or other legal entity if the entity is required by federal  
21 law or by rule adopted pursuant to federal law to register its  
22 ownership or acquisition of that land and a nonresident alien or a  
23 foreign government or any combination of nonresident aliens and  
24 foreign governments own a majority interest in the entity.

25 SECTION 4. Subchapter H, Chapter 23, Tax Code, is amended by  
26 adding Section 23.98025 to read as follows:

27 Sec. 23.98025. LAND INELIGIBLE FOR APPRAISAL AS

1 RESTRICTED-USE TIMBER LAND. Land is not eligible for appraisal as  
2 provided by this subchapter if the land is located inside the  
3 corporate limits of an incorporated city or town having a  
4 population of 500,000 or more.

5 SECTION 5. This Act takes effect January 1, 2004, and  
6 applies only to an ad valorem tax year that begins on or after that  
7 date.