

By: Rangel

H.B. No. 847

A BILL TO BE ENTITLED

AN ACT

relating to the eligibility of land to be appraised as open-space land for ad valorem tax purposes.

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

SECTION 1. Section 23.56, Tax Code, is amended to read as follows:

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

(1) the land is located inside the corporate limits of an incorporated city or town, unless:

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

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

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

~~(3)~~ the land is owned by a corporation, partnership,

1 trust, or other legal entity that does not derive at least 10
2 percent of its income from agricultural production [~~if the entity~~
3 ~~is required by federal law or by rule adopted pursuant to federal~~
4 ~~law to register its ownership or acquisition of that land and a~~
5 ~~nonresident alien or a foreign government or any combination of~~
6 ~~nonresident aliens and foreign governments own a majority interest~~
7 ~~in the entity~~].

8 SECTION 2. This Act takes effect January 1, 2004, and
9 applies only to the appraisal of land for ad valorem tax purposes
10 for a tax year that begins on or after that date.