

By: Kuempel

H.B. No. 1821

A BILL TO BE ENTITLED

AN ACT

relating to the immediate qualification of newly acquired land for ad valorem tax appraisal as qualified open-space land.

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

SECTION 1. Subchapter D, Chapter 23, Tax Code, is amended by adding Section 23.515 to read as follows:

Sec. 23.515. IMMEDIATE QUALIFICATION OF CERTAIN LAND FOR APPRAISAL AS QUALIFIED OPEN-SPACE LAND. (a) Notwithstanding Section 23.51, land acquired by the owner of the land on or after June 1, 2002, qualifies for appraisal as qualified open-space land if:

(1) the owner of the land files a notice with the chief appraiser before May 1 on a form provided by the appraisal office and prescribed by the comptroller that states that the owner intends to devote the land principally to agricultural use as required by this subchapter;

(2) the land was not appraised as qualified open-space land under this subchapter or as land designated for agricultural use under Subchapter C at the time the owner acquired the land;

(3) the land was appraised as qualified open-space land under this subchapter or as land designated for agricultural use under Subchapter C on the basis of use by a previous owner in any of the 10 years preceding the year in which the owner submits the notice to the chief appraiser; and

1           (4) the land is not ineligible for appraisal as  
2 qualified open-space land under Section 23.56.

3           (b) The form of a notice under Subsection (a)(1) must  
4 require the owner to specify the intended agricultural use. Until  
5 the land is devoted principally to agricultural use to the degree of  
6 intensity generally accepted in the area, the chief appraiser  
7 shall:

8           (1) determine the category of the land in accordance  
9 with the intended agricultural use as stated in the notice; and

10           (2) determine the net to land as if the land had been  
11 used for the intended purpose as stated in the notice for the  
12 preceding five years.

13           (c) Land is ineligible for appraisal under this section as  
14 qualified open-space land for more than three years unless  
15 beginning on January 1 of the third year after the year in which the  
16 land is first appraised under this section the land is devoted  
17 principally to agricultural use to the degree of intensity  
18 generally accepted in the area. If on that date the land is not  
19 currently devoted principally to agricultural use to the degree of  
20 intensity generally accepted in the area, an additional tax is  
21 imposed on the land as provided by Section 23.55 as if the use of the  
22 land had changed.

23           (d) If on or before January 1 of the third year after the  
24 year in which the land is first appraised under this section the  
25 land is devoted principally to agricultural use to the degree of  
26 intensity generally accepted in the area, the chief appraiser  
27 shall:

1           (1) determine the category of the land in accordance  
2 with the actual agricultural use; and

3           (2) determine the net to land as if the land had been  
4 used for the actual agricultural use for the preceding five years.

5           (e) The chief appraiser, on the written request of the owner  
6 filed at any time during the third year in which the land is  
7 appraised under this section as qualified open-space land, shall  
8 inspect the land and provide the owner a written evaluation  
9 specifying any action required for the land to be considered to be  
10 currently devoted principally to agricultural use to the degree of  
11 intensity generally accepted in the area.

12           SECTION 2. (a) This Act takes effect January 1, 2004, but  
13 only if the constitutional amendment proposed by the 78th  
14 Legislature, Regular Session, 2003, to authorize the legislature to  
15 provide for the immediate qualification of newly acquired  
16 open-space land for ad valorem tax appraisal on the basis of its  
17 productive capacity is approved by the voters. If that proposed  
18 constitutional amendment is not approved by the voters, this Act  
19 has no effect.

20           (b) Section 23.515, Tax Code, as added by this Act, applies  
21 only to the appraisal of land for ad valorem tax purposes for a tax  
22 year beginning on or after the effective date of this Act.