

By: McReynolds

H.B. No. 2938

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the appraisal of timber land used in the production of
3 farm, ranch, or timber products.

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

5 SECTION 1. Section 23.71(2), Tax Code, is amended to read as
6 follows:

7 (2) "Net to land" means the average net income that
8 would have been earned by category of land over the preceding five
9 years by a person using ordinary prudence in the management of land
10 and the timbers produced on the land. The net income for each year
11 is determined by multiplying the land's ~~[potential]~~ average annual
12 growth, expressed in tons ~~[cords or board feet of wood]~~, by the mean
13 Texas stumpage value, expressed in price per ton, of large pine saw
14 timber, small pine saw timber, pine pulpwood, hardwood saw timber,
15 hardwood pulpwood, and any other significant timber product, taking
16 into consideration the three forest types and ~~[general types of~~
17 ~~timber as produced on the]~~ four different soil types, as determined
18 by using information for the East Texas timber-growing region as a
19 whole from the U.S. Forest Service, ~~[U.S. Geological Survey]~~, the
20 Soil Conservation Service, the Texas Forest Service, and colleges
21 and universities within this state, and by subtracting from the
22 product reasonable management costs and other reasonable expenses
23 directly attributable to the production of timber that a prudent
24 manager of the land and timber, seeking to maximize return, would

1 incur in the management of the land and timber. The Texas Forest
2 Service shall develop a cost model to determine annually the
3 reasonable management costs and other expenses a prudent operator
4 would incur without regard to actual expenditures by any one or more
5 timber growers. Stumpage prices shall be determined based on data
6 collected for all types of timber sales, including timber deed,
7 cutting contract, and gatewood sales.

8 SECTION 2. The importance of this legislation and the
9 crowded condition of the calendars in both houses create an
10 emergency and an imperative public necessity that the
11 constitutional rule requiring bills to be read on three several
12 days in each house be suspended, and this rule is hereby suspended,
13 and that this Act take effect and be in force from and after its
14 passage, and it is so enacted.