

By: Wilson

H.B. No. 3136

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the calculation of net to land in the ad valorem tax
3 appraisal of open-space land used for wildlife management.

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

5 SECTION 1. Section 23.51(4), Tax Code, is amended to read as
6 follows:

7 (4) "Net to land" means the average annual net income
8 derived from the use of open-space land that would have been earned
9 from the land during the five-year period preceding the year before
10 the appraisal by an owner using ordinary prudence in the management
11 of the land and the farm crops or livestock produced or supported on
12 the land and, in addition, any income received from hunting or
13 recreational leases. The chief appraiser shall calculate net to
14 land by considering the income that would be due to the owner of the
15 land under cash lease, share lease, or whatever lease arrangement
16 is typical in that area for that category of land, and all expenses
17 directly attributable to the agricultural use of the land by the
18 owner shall be subtracted from this owner income and the results
19 shall be used in income capitalization. In calculating net to land,
20 a reasonable deduction shall be made for any depletion that occurs
21 of underground water used in the agricultural operation. For land
22 that is covered by a written management plan developed in
23 accordance with standards adopted under Section 23.521, the chief
24 appraiser may not consider in the calculation of net to land the

1 income that would be due to the owner of the land under a lease
2 entered into for the purpose of qualifying the land under
3 Subdivision (7) for appraisal under this subchapter.

4 SECTION 2. This Act takes effect January 1, 2004, and
5 applies only to the appraisal of land for ad valorem tax purposes
6 for a tax year beginning on or after that date.