

By: Coleman

H.B. No. 3403

A BILL TO BE ENTITLED

AN ACT

relating to the qualification for appraisal and the appraisal of  
qualified restricted-use timber land.

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

SECTION 1. Section 23.9802, Tax Code, is amended to read as  
follows:

Sec. 23.9802. QUALIFICATION FOR APPRAISAL AS  
RESTRICTED-USE TIMBER LAND. (a) Land qualifies for appraisal as  
provided by this subchapter if the land is in an aesthetic  
management zone, critical wildlife habitat zone, or streamside  
management zone.

(b) Land qualifies for appraisal as provided by this  
subchapter if:

(1) timber was harvested from the land in a year in  
which the land was appraised under Subchapter E; and

(2) the land has been regenerated for timber  
production to the degree of intensity generally accepted in the  
area for commercial timber land and with intent to produce income.

(c) Land ceases to qualify for appraisal under Subsection  
(b) on the ~~10th~~ 5th anniversary of the date the timber was  
harvested under Subsection (b)(1). This subsection does not  
disqualify the land from qualifying for appraisal under this  
section in a tax year following that anniversary based on the  
circumstances existing in that subsequent tax year.

1           (d) A maximum of 1000 acres, within a county, owned by or  
2 controlled by any one person, legal or natural, may qualify for  
3 appraisal under Subsection (b) in any tax year. A person, legal or  
4 natural, related to the person qualifying for appraisal under  
5 Subsection (b) may not qualify for appraisal under Subsection (b)  
6 in the same tax year for a parcel of land under common control. For  
7 purposes of this Subsection, "person related to" has the meaning as  
8 provided in Section 9.102(63)(A) and (D) and Section 9.102(64) of  
9 the Texas Business & Commerce Code. Real property owned by any  
10 person, not an individual, shall be deemed to be owned by the  
11 person, legal or natural, who controls such person.

12           SECTION 2. Section 23.9803, Tax Code, is amended to read as  
13 follows:

14           Sec. 23.9803. APPRAISAL OF QUALIFIED RESTRICTED-USE TIMBER  
15 LAND. (a) Except as provided by Subsection (b), the appraised  
16 value of qualified restricted-use timber land is [~~one-half~~]  
17 three-fourths of the appraised value of the land as determined  
18 under Section 23.73(a).

19           (b) The appraised value determined under Subsection (a) may  
20 not exceed the lesser of:

21                 (1) the market value of the land as determined by other  
22 appraisal methods; or

23                 (2) the appraised value of the land for the year  
24 preceding the first year of appraisal under this subchapter.

25           (c) The chief appraiser shall determine the market value of  
26 qualified restricted-use timber land and shall record both the  
27 market value and the appraised value in the appraisal records.

1           SECTION 3. (a) This act takes effect January 1, 2004.

2           (b) The change in law made by this Act applies only to the  
3 appraisal of qualified timber land for ad valorem tax purposes for a  
4 tax year that begins on or after the effective date of this Act. The  
5 appraisal of qualified timber land for ad valorem tax purposes for a  
6 tax year that began before the effective date of this Act is  
7 governed by the law in effect when the appraisal of the land was  
8 made, and the former law is continued in effect for that purpose.