

A BILL TO BE ENTITLED

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AN ACT

relating to excepting certain land from the additional tax imposed on the change of use of land appraised for ad valorem tax purposes as open-space land.

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

SECTION 1. Section 23.55, Tax Code, is amended by amending Subsection (f) and adding Subsections (m) and (n) to read as follows:

(f) The sanctions provided by Subsection (a) of this section do not apply if the change of use occurs as a result of:

(1) a sale for right-of-way;

(2) a condemnation; ~~or~~

(3) a transfer of the property to the state or a political subdivision of the state to be used for a public purpose; or

(4) a transfer of the property from the state, a political subdivision of the state, or a nonprofit corporation created by a municipality with a population of more than one million under the Development Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil Statutes) to an individual or a business entity for purposes of economic development if the comptroller determines that the economic development is likely to generate for deposit in the general revenue fund in the next fiscal biennium an amount of taxes and other revenues that equals or exceeds 20 times

1 the amount of additional taxes and interest that would have been
2 imposed under Subsection (a) had the sanctions provided by that
3 subsection applied to the transfer.

4 (m) For purposes of determining whether a transfer of land
5 qualifies for the exemption from additional taxes provided by
6 Subsection (f)(4), on an application of the entity transferring or
7 proposing to transfer the land or of the individual or entity to
8 which the land is transferred or proposed to be transferred, the
9 comptroller shall determine the amount of taxes and other revenues
10 likely to be generated as a result of the economic development for
11 deposit in the general revenue fund in the next fiscal biennium. If
12 the comptroller determines that the amount of those revenues is
13 likely to equal or exceed 20 times the amount of additional taxes
14 and interest that would be imposed under Subsection (a) if the
15 sanctions provided by that subsection applied to the transfer, the
16 comptroller shall issue a letter to the applicant stating the
17 comptroller's determination and shall send a copy of the letter by
18 regular mail to the chief appraiser.

19 (n) Within one year of the conclusion of the fiscal biennium
20 for which the comptroller issued a letter as provided under
21 Subsection (m), the board of directors of the appraisal district,
22 by official board action, may direct the chief appraiser to request
23 the comptroller to determine if the amount of revenues was equal to
24 or exceeded 20 times the amount of taxes and interest that would
25 have been imposed under Subsection (a). The comptroller shall
26 issue a finding as to whether the amount of revenue met the
27 projected increases. The chief appraiser shall review the results

1 of the comptroller's finding and shall make a determination as to
2 whether sanctions under Subsection (a) should be imposed. If the
3 chief appraiser determines that the sanctions provided by
4 Subsection (a) shall be imposed, the sanctions shall be based on the
5 date of the transfer of the property under Subsection (f)(4).

6 SECTION 2. (a) This Act takes effect immediately if it
7 receives a vote of two-thirds of all the members elected to each
8 house, as provided by Section 39, Article III, Texas Constitution.
9 If this Act does not receive the vote necessary for immediate
10 effect, this Act takes effect September 1, 2003.

11 (b) The change in law made by this Act applies only to a
12 change of use of land that occurs on or after the effective date of
13 this Act. A change of use of land that occurs before the effective
14 date of this Act is governed by the law as it existed immediately
15 before the effective date of this Act, and that law is continued in
16 effect for that purpose.