

1-1 By: Madla S.B. No. 480  
1-2 (In the Senate - Filed February 13, 2003; February 19, 2003,  
1-3 read first time and referred to Committee on Finance;  
1-4 April 29, 2003, reported adversely, with favorable Committee  
1-5 Substitute by the following vote: Yeas 13, Nays 0; April 29, 2003,  
1-6 sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 480 By: Zaffirini

1-8 A BILL TO BE ENTITLED  
1-9 AN ACT

1-10 relating to excepting certain land from the additional tax imposed  
1-11 on the change of use of land appraised for ad valorem tax purposes  
1-12 as open-space land.

1-13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-14 SECTION 1. Section 23.55, Tax Code, is amended by amending  
1-15 Subsection (f) and adding Subsections (m) and (n) to read as  
1-16 follows:

1-17 (f) The sanctions provided by Subsection (a) of this section  
1-18 do not apply if the change of use occurs as a result of:

1-19 (1) a sale for right-of-way;

1-20 (2) a condemnation; ~~or~~

1-21 (3) a transfer of the property to the state or a  
1-22 political subdivision of the state to be used for a public purpose;  
1-23 or

1-24 (4) a transfer of the property from the state, a  
1-25 political subdivision of the state, or a nonprofit corporation  
1-26 created by a municipality with a population of more than one million  
1-27 under the Development Corporation Act of 1979 (Article 5190.6,  
1-28 Vernon's Texas Civil Statutes) to an individual or a business  
1-29 entity for purposes of economic development if the comptroller  
1-30 determines that the economic development is likely to generate for  
1-31 deposit in the general revenue fund in the next fiscal biennium an  
1-32 amount of taxes and other revenues that equals or exceeds 20 times  
1-33 the amount of additional taxes and interest that would have been  
1-34 imposed under Subsection (a) had the sanctions provided by that  
1-35 subsection applied to the transfer.

1-36 (m) For purposes of determining whether a transfer of land  
1-37 qualifies for the exemption from additional taxes provided by  
1-38 Subsection (f)(4), on an application of the entity transferring or  
1-39 proposing to transfer the land or of the individual or entity to  
1-40 which the land is transferred or proposed to be transferred, the  
1-41 comptroller shall determine the amount of taxes and other revenues  
1-42 likely to be generated as a result of the economic development for  
1-43 deposit in the general revenue fund in the next fiscal biennium. If  
1-44 the comptroller determines that the amount of those revenues is  
1-45 likely to equal or exceed 20 times the amount of additional taxes  
1-46 and interest that would be imposed under Subsection (a) if the  
1-47 sanctions provided by that subsection applied to the transfer, the  
1-48 comptroller shall issue a letter to the applicant stating the  
1-49 comptroller's determination and shall send a copy of the letter by  
1-50 regular mail to the chief appraiser.

1-51 (n) Within one year of the conclusion of the fiscal biennium  
1-52 for which the comptroller issued a letter as provided under  
1-53 Subsection (m), the board of directors of the appraisal district,  
1-54 by official board action, may direct the chief appraiser to request  
1-55 the comptroller to determine if the amount of revenues was equal to  
1-56 or exceeded 20 times the amount of taxes and interest that would  
1-57 have been imposed under Subsection (a). The comptroller shall  
1-58 issue a finding as to whether the amount of revenue met the  
1-59 projected increases. The chief appraiser shall review the results  
1-60 of the comptroller's finding and shall make a determination as to  
1-61 whether sanctions under Subsection (a) should be imposed. If the  
1-62 chief appraiser determines that the sanctions provided by  
1-63 Subsection (a) shall be imposed, the sanctions shall be based on the

2-1 date of the transfer of the property under Subsection (f)(4).

2-2 SECTION 2. (a) This Act takes effect immediately if it  
2-3 receives a vote of two-thirds of all the members elected to each  
2-4 house, as provided by Section 39, Article III, Texas Constitution.  
2-5 If this Act does not receive the vote necessary for immediate  
2-6 effect, this Act takes effect September 1, 2003.

2-7 (b) The change in law made by this Act applies only to a  
2-8 change of use of land that occurs on or after the effective date of  
2-9 this Act. A change of use of land that occurs before the effective  
2-10 date of this Act is governed by the law as it existed immediately  
2-11 before the effective date of this Act, and that law is continued in  
2-12 effect for that purpose.

2-13 \* \* \* \* \*