

By: Staples

S.B. No. 1646

A BILL TO BE ENTITLED

AN ACT

relating to the ad valorem tax appraisal of qualified timber land.

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

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

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

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

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