BILL ANALYSIS

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

During the 1990s, Texas led the nation in converting open land spaces into offices, subdivisions, and shopping malls, and each year approximately 283 square miles of raw land is developed. In order to preserve raw land for the future, some private land owners have negotiated conservation easements on their land which perpetually restrict the development of the land. Once a conservation easement is granted, the value of the land is reduced, but, currently, some tax appraisal districts do not recognize this reduction when calculating ad valorem taxes.

As proposed, S.B. 767 requires a chief appraiser, when appraising land that is included in a habitat preserve and subject to a conservation easement, or subject to restrictions to protect an endangered species under a federal permit, to consider the effect of the restriction imposed through the conservation easement when calculating the ad valorem tax.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter B, Chapter 23, Tax Code, by adding Section 23.225, as follows:

Sec. 23.225. APPRAISAL OF LAND INCLUDED IN HABITAT PRESERVE AND SUBJECT TO CONSERVATION EASEMENT. (a) Defines "endangered species," "federal permit," and "habitat preserve."

(b) Requires the chief appraiser, in appraising land that is included in a habitat preserve and is subject to a conservation easement created under Chapter 183 (Conservation Easements), Natural Resources Code, or other law that restricts the use of the land to protect an endangered species under a federal permit, to consider the effect of the restriction on the value of the land.

SECTION 2. Provides that this Act applies only to the appraisal of land for a tax year beginning on or after the effective date of this Act.

SECTION 3. Effective date: January 1, 2006.