

BILL ANALYSIS

H.B. 241
By: Parker
Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The current law restrains investment in rural areas by imposing an onerous burden on development. H.B. 241 eliminates a tax penalty that makes landowners pay interest on taxes due on land appraised for property tax purposes and designated as agricultural if it is sold or transferred and the land's use is then designated for a nonagricultural use.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 241 amends the Tax Code to add a temporary provision, set to expire January 1, 2024, to establish that interest added to additional taxes that become due following the sale of land designated for agricultural use or its diversion to a nonagricultural use or a change of use in land that has been appraised as agricultural land does not become due if the sale, diversion, or change of use occurs on or after September 1, 2011, and before January 1, 2022. The bill prohibits the tax bill for such additional taxes from including any amount of that interest and requires a reference to these additional taxes and interest in provisions relating to land designated for agricultural use and provisions relating to the appraisal of agricultural land to be treated as a reference solely to additional taxes. The bill establishes that its provisions do not affect liability for interest that becomes due on the additional taxes if those taxes become delinquent.

EFFECTIVE DATE

September 1, 2011.