

By: Raymond

H.B. No. 1464

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the procedure for determining that certain land is no
3 longer eligible for appraisal for ad valorem tax purposes as
4 agricultural or open-space land.

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

6 SECTION 1. Section 1.07(d), Tax Code, is amended to read as
7 follows:

8 (d) A notice required by Section 11.45(d), 23.44(d),
9 23.46(c) or (f), 23.54(e), 23.541(c), 23.55(e), 23.551(a),
10 23.57(d), 23.76(e), 23.79(d), or 23.85(d) must be sent by certified
11 mail.

12 SECTION 2. Section 23.43(d), Tax Code, is amended to read as
13 follows:

14 (d) The comptroller in prescribing the contents of the
15 application forms shall ensure that each form requires a claimant
16 to furnish the information necessary to determine the validity of
17 the claim. The comptroller shall require that the form permit a
18 claimant who has previously been allowed an agricultural
19 designation to indicate that previously reported information has
20 not changed and to supply only the eligibility information not
21 previously reported. The form must include a space for the claimant
22 to state the claimant's date of birth. Failure to provide the date
23 of birth does not affect a claimant's right to an agricultural
24 designation under this subchapter.

1 SECTION 3. Section 23.46, Tax Code, is amended by amending
2 Subsection (c) and adding Subsection (f) to read as follows:

3 (c) If land that has been designated for agricultural use in
4 any year is sold or diverted to a nonagricultural use, the total
5 amount of additional taxes for the three years preceding the year in
6 which the land is sold or diverted plus interest at the rate
7 provided for delinquent taxes becomes due. Subject to Subsection
8 (f), a [A] determination that the land has been diverted to a
9 nonagricultural use is made by the chief appraiser. For purposes of
10 this subsection, the chief appraiser may not consider any period
11 during which land is owned by the state in determining whether the
12 land has been diverted to a nonagricultural use. The chief
13 appraiser shall deliver a notice of the determination to the owner
14 of the land as soon as possible after making the determination and
15 shall include in the notice an explanation of the owner's right to
16 protest the determination. If the owner does not file a timely
17 protest or if the final determination of the protest is that the
18 additional taxes are due, the assessor for each taxing unit shall
19 prepare and deliver a bill for the additional taxes plus interest as
20 soon as practicable after the change of use occurs. If the
21 additional taxes are due because of a sale of the land, the assessor
22 for each taxing unit shall prepare and deliver the bill as soon as
23 practicable after the sale occurs. The taxes and interest are due
24 and become delinquent and incur penalties and interest as provided
25 by law for ad valorem taxes imposed by the taxing unit if not paid
26 before the next February 1 that is at least 20 days after the date
27 the bill is delivered to the owner of the land.

1 (f) If land designated for agricultural use under this
2 subchapter is owned by an individual 65 years of age or older,
3 before making a determination that the land has been diverted to a
4 nonagricultural use, the chief appraiser shall deliver a written
5 notice to the owner stating that the chief appraiser believes the
6 land may have been diverted to a nonagricultural use. The notice
7 must include a form on which the owner may indicate that the owner
8 remains entitled to have the land designated for agricultural use
9 and a self-addressed postage prepaid envelope with instructions for
10 returning the form to the chief appraiser. The chief appraiser
11 shall consider the owner's response on the form in determining
12 whether the land has been diverted to a nonagricultural use. If the
13 chief appraiser does not receive a response on or before the 60th
14 day after the date the notice is mailed, the chief appraiser must
15 make a reasonable effort to locate the owner and determine whether
16 the owner remains entitled to have the land designated for
17 agricultural use before determining that the land has been diverted
18 to a nonagricultural use. The comptroller by rule shall adopt
19 standards for determining what constitutes a reasonable effort on
20 the part of a chief appraiser for purposes of this subsection and
21 distribute those rules to each appraisal district.

22 SECTION 4. Sections 23.54(c) and (e), Tax Code, are amended
23 to read as follows:

24 (c) The comptroller shall include on the form a notice of
25 the penalties prescribed by Section 37.10, Penal Code, for making
26 or filing an application containing a false statement. The
27 comptroller, in prescribing the contents of the application form,

1 shall require that the form permit a claimant who has previously
2 been allowed appraisal under this subchapter to indicate that
3 previously reported information has not changed and to supply only
4 the eligibility information not previously reported. The form must
5 include a space for the claimant to state the claimant's date of
6 birth. Failure to provide the date of birth does not affect a
7 claimant's eligibility to have the claimant's land appraised under
8 this subchapter.

9 (e) If a person fails to file a valid application on time,
10 the land is ineligible for appraisal as provided by this subchapter
11 for that year. Once an application is filed and appraisal under
12 this subchapter is allowed, the land is eligible for appraisal
13 under this subchapter in subsequent years without a new application
14 unless the ownership of the land changes or its eligibility under
15 this subchapter ends. However, subject to Section 23.551, if the
16 chief appraiser [~~if he~~] has good cause to believe that land is no
17 longer eligible for appraisal [~~the land's eligibility~~] under this
18 subchapter [~~has ended~~], the chief appraiser may require a person
19 allowed appraisal under this subchapter in a prior year to file a
20 new application to confirm that the land is currently eligible for
21 appraisal under this subchapter by delivering a written notice that
22 a new application is required, accompanied by the application form,
23 to the person who filed the application that was previously
24 allowed.

25 SECTION 5. Section 23.55(e), Tax Code, is amended to read as
26 follows:

27 (e) Subject to Section 23.551, a [A] determination that a

1 change in use of the land has occurred is made by the chief
2 appraiser. The chief appraiser shall deliver a notice of the
3 determination to the owner of the land as soon as possible after
4 making the determination and shall include in the notice an
5 explanation of the owner's right to protest the determination. If
6 the owner does not file a timely protest or if the final
7 determination of the protest is that the additional taxes are due,
8 the assessor for each taxing unit shall prepare and deliver a bill
9 for the additional taxes plus interest as soon as practicable. The
10 taxes and interest are due and become delinquent and incur
11 penalties and interest as provided by law for ad valorem taxes
12 imposed by the taxing unit if not paid before the next February 1
13 that is at least 20 days after the date the bill is delivered to the
14 owner of the land.

15 SECTION 6. Subchapter D, Chapter 23, Tax Code, is amended by
16 adding Section 23.551 to read as follows:

17 Sec. 23.551. ADDITIONAL NOTICE TO CERTAIN LANDOWNERS. (a)
18 If land appraised as provided by this subchapter is owned by an
19 individual 65 years of age or older, before making a determination
20 that a change in use of the land has occurred, the chief appraiser
21 shall deliver a written notice to the owner stating that the chief
22 appraiser believes a change in use of the land may have occurred.

23 (b) The notice must include a form on which the owner may
24 indicate that the land remains eligible to be appraised as provided
25 by this subchapter and a self-addressed postage prepaid envelope
26 with instructions for returning the form to the chief appraiser.

27 (c) The chief appraiser shall consider the owner's response

1 on the form in determining whether the land remains eligible for
2 appraisal under this subchapter.

3 (d) If the chief appraiser does not receive a response on or
4 before the 60th day after the date the notice is mailed, the chief
5 appraiser must make a reasonable effort to locate the owner and
6 determine whether the land remains eligible to be appraised as
7 provided by this subchapter before determining that a change in use
8 of the land has occurred.

9 (e) The comptroller by rule shall adopt standards for
10 determining what constitutes a reasonable effort on the part of a
11 chief appraiser for purposes of this section and distribute those
12 rules to each appraisal district.

13 SECTION 7. Section 521.049(d), Transportation Code, is
14 amended to read as follows:

15 (d) To assist chief appraisers in determining the
16 eligibility of individuals for residence homestead exemptions from
17 ad valorem taxation under Section 11.13, Tax Code, and the
18 applicability to certain individuals of additional notice
19 provisions under Subchapters C and D, Chapter 23, Tax Code, the
20 department shall provide, without charge, to the chief appraiser of
21 each appraisal district in this state:

22 (1) a copy of each driver's license record or personal
23 identification certificate record held by the department; or

24 (2) information relating to the name, date of birth,
25 driver's license or personal identification certificate number,
26 and most recent address as shown in the records of individuals
27 included in the department's driver's license or personal

1 identification certificate records.

2 SECTION 8. The change in law made by this Act applies only
3 to a determination by a chief appraiser that an individual 65 years
4 of age or older is no longer eligible to have land appraised as
5 provided by Subchapter C or D, Chapter 23, Tax Code, that is made on
6 or after the effective date of this Act. A determination by a chief
7 appraiser that an individual 65 years of age or older is no longer
8 eligible to have land appraised as provided by Subchapter C or D,
9 Chapter 23, Tax Code, that is made before the effective date of this
10 Act is governed by the law in effect at the time the determination
11 was made, and that law is continued in effect for that purpose.

12 SECTION 9. This Act takes effect September 1, 2015.