

1-1 By: Raymond, King of Uvalde, Guillen H.B. No. 1464
 1-2 (Senate Sponsor - Zaffirini)
 1-3 (In the Senate - Received from the House May 4, 2015;
 1-4 May 6, 2015, read first time and referred to Committee on Finance;
 1-5 May 20, 2015, reported favorably by the following vote: Yeas 12,
 1-6 Nays 0; May 20, 2015, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16			X	
1-17	X			
1-18			X	
1-19			X	
1-20	X			
1-21	X			
1-22	X			
1-23	X			

1-24 A BILL TO BE ENTITLED
 1-25 AN ACT

1-26 relating to the procedure for determining that certain land is no
 1-27 longer eligible for appraisal for ad valorem tax purposes as
 1-28 agricultural or open-space land.

1-29 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-30 SECTION 1. Section 1.07(d), Tax Code, is amended to read as
 1-31 follows:

1-32 (d) A notice required by Section 11.45(d), 23.44(d),
 1-33 23.46(c) or (f), 23.54(e), 23.541(c), 23.55(e), 23.551(a),
 1-34 23.57(d), 23.76(e), 23.79(d), or 23.85(d) must be sent by certified
 1-35 mail.

1-36 SECTION 2. Section 23.43(d), Tax Code, is amended to read as
 1-37 follows:

1-38 (d) The comptroller in prescribing the contents of the
 1-39 application forms shall ensure that each form requires a claimant
 1-40 to furnish the information necessary to determine the validity of
 1-41 the claim. The comptroller shall require that the form permit a
 1-42 claimant who has previously been allowed an agricultural
 1-43 designation to indicate that previously reported information has
 1-44 not changed and to supply only the eligibility information not
 1-45 previously reported. The form must include a space for the claimant
 1-46 to state the claimant's date of birth. Failure to provide the date
 1-47 of birth does not affect a claimant's right to an agricultural
 1-48 designation under this subchapter.

1-49 SECTION 3. Section 23.46, Tax Code, is amended by amending
 1-50 Subsection (c) and adding Subsection (f) to read as follows:

1-51 (c) If land that has been designated for agricultural use in
 1-52 any year is sold or diverted to a nonagricultural use, the total
 1-53 amount of additional taxes for the three years preceding the year in
 1-54 which the land is sold or diverted plus interest at the rate
 1-55 provided for delinquent taxes becomes due. Subject to Subsection
 1-56 (f), a [A] determination that the land has been diverted to a
 1-57 nonagricultural use is made by the chief appraiser. For purposes of
 1-58 this subsection, the chief appraiser may not consider any period
 1-59 during which land is owned by the state in determining whether the
 1-60 land has been diverted to a nonagricultural use. The chief
 1-61 appraiser shall deliver a notice of the determination to the owner

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

2-15 (f) If land designated for agricultural use under this
 2-16 subchapter is owned by an individual 65 years of age or older,
 2-17 before making a determination that the land has been diverted to a
 2-18 nonagricultural use, the chief appraiser shall deliver a written
 2-19 notice to the owner stating that the chief appraiser believes the
 2-20 land may have been diverted to a nonagricultural use. The notice
 2-21 must include a form on which the owner may indicate that the owner
 2-22 remains entitled to have the land designated for agricultural use
 2-23 and a self-addressed postage prepaid envelope with instructions for
 2-24 returning the form to the chief appraiser. The chief appraiser
 2-25 shall consider the owner's response on the form in determining
 2-26 whether the land has been diverted to a nonagricultural use. If the
 2-27 chief appraiser does not receive a response on or before the 60th
 2-28 day after the date the notice is mailed, the chief appraiser must
 2-29 make a reasonable effort to locate the owner and determine whether
 2-30 the owner remains entitled to have the land designated for
 2-31 agricultural use before determining that the land has been diverted
 2-32 to a nonagricultural use. For purposes of this subsection, sending
 2-33 an additional notice to the owner immediately after the expiration
 2-34 of the 60-day period by first class mail in an envelope on which is
 2-35 written, in all capital letters, "RETURN SERVICE REQUESTED," or
 2-36 another appropriate statement directing the United States Postal
 2-37 Service to return the notice if it is not deliverable as addressed,
 2-38 or providing the additional notice in another manner that the chief
 2-39 appraiser determines is appropriate, constitutes a reasonable
 2-40 effort on the part of the chief appraiser.

2-41 SECTION 4. Sections 23.54(c) and (e), Tax Code, are amended
 2-42 to read as follows:

2-43 (c) The comptroller shall include on the form a notice of
 2-44 the penalties prescribed by Section 37.10, Penal Code, for making
 2-45 or filing an application containing a false statement. The
 2-46 comptroller, in prescribing the contents of the application form,
 2-47 shall require that the form permit a claimant who has previously
 2-48 been allowed appraisal under this subchapter to indicate that
 2-49 previously reported information has not changed and to supply only
 2-50 the eligibility information not previously reported. The form must
 2-51 include a space for the claimant to state the claimant's date of
 2-52 birth. Failure to provide the date of birth does not affect a
 2-53 claimant's eligibility to have the claimant's land appraised under
 2-54 this subchapter.

2-55 (e) If a person fails to file a valid application on time,
 2-56 the land is ineligible for appraisal as provided by this subchapter
 2-57 for that year. Once an application is filed and appraisal under
 2-58 this subchapter is allowed, the land is eligible for appraisal
 2-59 under this subchapter in subsequent years without a new application
 2-60 unless the ownership of the land changes or its eligibility under
 2-61 this subchapter ends. However, subject to Section 23.551, if the
 2-62 chief appraiser [~~if he~~] has good cause to believe that land is no
 2-63 longer eligible for appraisal [~~the land's eligibility~~] under this
 2-64 subchapter [~~has ended~~], the chief appraiser may require a person
 2-65 allowed appraisal under this subchapter in a prior year to file a
 2-66 new application to confirm that the land is currently eligible for
 2-67 appraisal under this subchapter by delivering a written notice that
 2-68 a new application is required, accompanied by the application form,
 2-69 to the person who filed the application that was previously

3-1 allowed.

3-2 SECTION 5. Section 23.55(e), Tax Code, is amended to read as
3-3 follows:

3-4 (e) Subject to Section 23.551, a [A] determination that a
3-5 change in use of the land has occurred is made by the chief
3-6 appraiser. The chief appraiser shall deliver a notice of the
3-7 determination to the owner of the land as soon as possible after
3-8 making the determination and shall include in the notice an
3-9 explanation of the owner's right to protest the determination. If
3-10 the owner does not file a timely protest or if the final
3-11 determination of the protest is that the additional taxes are due,
3-12 the assessor for each taxing unit shall prepare and deliver a bill
3-13 for the additional taxes plus interest as soon as practicable. The
3-14 taxes and interest are due and become delinquent and incur
3-15 penalties and interest as provided by law for ad valorem taxes
3-16 imposed by the taxing unit if not paid before the next February 1
3-17 that is at least 20 days after the date the bill is delivered to the
3-18 owner of the land.

3-19 SECTION 6. Subchapter D, Chapter 23, Tax Code, is amended by
3-20 adding Section 23.551 to read as follows:

3-21 Sec. 23.551. ADDITIONAL NOTICE TO CERTAIN LANDOWNERS. (a)
3-22 If land appraised as provided by this subchapter is owned by an
3-23 individual 65 years of age or older, before making a determination
3-24 that a change in use of the land has occurred, the chief appraiser
3-25 shall deliver a written notice to the owner stating that the chief
3-26 appraiser believes a change in use of the land may have occurred.

3-27 (b) The notice must include a form on which the owner may
3-28 indicate that the land remains eligible to be appraised as provided
3-29 by this subchapter and a self-addressed postage prepaid envelope
3-30 with instructions for returning the form to the chief appraiser.

3-31 (c) The chief appraiser shall consider the owner's response
3-32 on the form in determining whether the land remains eligible for
3-33 appraisal under this subchapter.

3-34 (d) If the chief appraiser does not receive a response on or
3-35 before the 60th day after the date the notice is mailed, the chief
3-36 appraiser must make a reasonable effort to locate the owner and
3-37 determine whether the land remains eligible to be appraised as
3-38 provided by this subchapter before determining that a change in use
3-39 of the land has occurred.

3-40 (e) For purposes of this section, sending an additional
3-41 notice to the owner immediately after the expiration of the 60-day
3-42 period prescribed by Subsection (d) by first class mail in an
3-43 envelope on which is written, in all capital letters, "RETURN
3-44 SERVICE REQUESTED," or another appropriate statement directing the
3-45 United States Postal Service to return the notice if it is not
3-46 deliverable as addressed, or providing the additional notice in
3-47 another manner that the chief appraiser determines is appropriate,
3-48 constitutes a reasonable effort on the part of the chief appraiser.

3-49 SECTION 7. Section 521.049(d), Transportation Code, is
3-50 amended to read as follows:

3-51 (d) To assist chief appraisers in determining the
3-52 eligibility of individuals for residence homestead exemptions from
3-53 ad valorem taxation under Section 11.13, Tax Code, and the
3-54 applicability to certain individuals of additional notice
3-55 provisions under Subchapters C and D, Chapter 23, Tax Code, the
3-56 department shall provide, without charge, to the chief appraiser of
3-57 each appraisal district in this state:

3-58 (1) a copy of each driver's license record or personal
3-59 identification certificate record held by the department; or

3-60 (2) information relating to the name, date of birth,
3-61 driver's license or personal identification certificate number,
3-62 and most recent address as shown in the records of individuals
3-63 included in the department's driver's license or personal
3-64 identification certificate records.

3-65 SECTION 8. The change in law made by this Act applies only
3-66 to a determination by a chief appraiser that an individual 65 years
3-67 of age or older is no longer eligible to have land appraised as
3-68 provided by Subchapter C or D, Chapter 23, Tax Code, that is made on
3-69 or after the effective date of this Act. A determination by a chief

4-1 appraiser that an individual 65 years of age or older is no longer
4-2 eligible to have land appraised as provided by Subchapter C or D,
4-3 Chapter 23, Tax Code, that is made before the effective date of this
4-4 Act is governed by the law in effect at the time the determination
4-5 was made, and that law is continued in effect for that purpose.

4-6 SECTION 9. This Act takes effect September 1, 2015.

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