

BILL ANALYSIS

H.B. 92
By: Rodriguez, Eddie
Agriculture & Livestock
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Concerns have been raised about the restrictive and narrow manner in which some county tax collector-assessors have applied statutory provisions regarding the taxation of agricultural land as qualified open-space land, causing some smaller, local agricultural operations to be denied the same valuation as conventional farm operations. H.B. 92 seeks to remedy this situation by including the production of fruits and vegetables as an acceptable agricultural for use property tax appraisal purposes and by providing for the development of guidelines for uncommon agricultural land uses.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

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. 92 amends the Tax Code to require a chief appraiser to distinguish between the degree of intensity required for various agricultural production methods, including organic, sustainable, pastured poultry, rotational grazing, and other uncommon production methods or systems, for purposes relating to the eligibility of land for appraisal as qualified open-space land for property tax purposes. The bill classifies the production of fruits and vegetables as an agricultural use for such purposes.

H.B. 92 sets out provisions relating to the development of guidelines for uncommon agricultural uses for the appraisal of agricultural land. The bill requires the comptroller of public accounts, in consultation with the Texas A&M AgriLife Extension Service, individuals selected by the comptroller who represent appraisal districts, and individuals selected by the comptroller who represent affected producers, to develop guidelines for determining under what conditions the cumulative effect of multiple agricultural uses of a tract of land meets the degree of intensity generally accepted in the area.

H.B. 92 requires the comptroller, in consultation with the Texas A&M AgriLife Extension Service, individuals selected by the comptroller who represent appraisal districts, and individuals selected by the comptroller who represent small-scale producers, to develop guidelines for determining under what conditions land under 10 acres in size used for the production of fruits, vegetables, poultry, hogs, sheep, or goats qualifies for appraisal as agricultural land. The bill requires such guidelines to provide that land under 10 acres in size that qualifies for agricultural appraisal solely on the basis of the guidelines for uncommon agricultural uses may not

subsequently qualify for wildlife management use appraisal if the owner changes the use of the land to wildlife management.

H.B. 92 authorizes the guidelines for uncommon agricultural uses to include recordkeeping requirements consistent with normal practices of agricultural operations and authorizes the comptroller to consider certain specified factors in developing the guidelines. The bill requires the comptroller, in cooperation with appraisal districts, to provide educational resources to chief appraisers to assist with the appraisal of land using the guidelines and of land using an uncommon production method, such as organic production, sustainable production, and pastured poultry. The bill requires the comptroller to distribute the guidelines to each appraisal district not later than December 1, 2018.

H.B. 92 applies only to the appraisal of land for property tax purposes for a tax year that begins on or after January 1, 2019.

EFFECTIVE DATE

December 1, 2017.