

BILL ANALYSIS

Senate Research Center
85R6175 SMT-F

S.B. 594
By: Creighton
Finance
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Chapter 23, Tax Code, requires the comptroller of public accounts of the State of Texas (comptroller) to develop and distribute manuals that detail how to appraise qualified open-space land and timber land. These appraisal manuals establish eligibility requirements for farm land and timber land to qualify for productivity appraisal and include procedures and methodologies that appraisal districts are required to follow. Under current law, the appraisal manuals must be approved by a majority vote of the governor, comptroller, attorney general, commissioner of agriculture, and commissioner of the General Land Office.

The number of actors involved makes the process for approving the manuals cumbersome. Moreover, revision of the appraisal manuals is infrequent. The agriculture manual has not been revised since 1990 and the timber manual was last updated in 2004. S.B. 594 simplifies the agriculture and timber appraisal manual revision process to allow these manuals to be updated more frequently.

S.B. 594 amends Chapter 23, Tax Code, to allow the comptroller to revise the manual for appraising qualified open-space land with the review and counsel of the Texas Department of Agriculture and to revise the manual for appraising qualified timber land with the review and counsel of the Texas A&M Forest Service. The bill removes requirements that these manuals be approved by a majority vote of the governor, comptroller, attorney general, commissioner of agriculture, and commissioner of the General Land Office.

As proposed, S.B. 594 amends current law relating to the procedure for the approval of rules adopted by the comptroller relating to the appraisal of qualified open-space land and qualified timber land for ad valorem tax purposes.

RULEMAKING AUTHORITY

Rulemaking authority previously granted to the Texas comptroller of public accounts is modified in SECTION 1 (Section 23.52, Tax Code) and SECTION 2 (Section 23.73, Tax Code), of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 23.52(d), Tax Code, as follows:

(d) Requires that the rules relating to the appraisal of qualified open-space land, before taking effect, be approved by the Texas comptroller of public accounts (comptroller) with the review and counsel of the Texas Department of Agriculture. Deletes existing text requiring that the rules, before taking effect, be approved by a majority vote of a committee comprised of certain officials. Makes a nonsubstantive change.

SECTION 2. Amends Section 23.73(b), Tax Code, as follows:

(b) Requires that the rules relating to the appraisal of qualified timber land, before taking effect, be approved by the comptroller with the review and counsel of the Texas A&M Forest Service. Deletes existing text requiring that the rules, before taking effect, be

approved by a majority vote of a committee comprised of certain officials. Makes a nonsubstantive change.

SECTION 3. Effective date: January 1, 2018.