

BILL ANALYSIS

Senate Research Center
85R4794 SMT-D

S.B. 1006
By: Nichols
Finance
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

S.B. 1006 amends Section 23.51(1), Tax Code, to remove the special appraisal provision for private land used as an ecological laboratory. It grandfathered all ecological laboratory appraisals qualified in the 2017 tax year or before.

In 1978, Texans voted to amend the Constitution to authorize property tax relief for certain categories. Subsequently, the Texas Legislature defined "open-space land" in Section 23.51(1), Tax Code, as a category of property eligible for special appraisal. While the majority of Section 23.51 pertains to widely recognized open-space land categories, including agricultural, timber production, and wildlife management, the Texas Legislature also inserted within this section a little-known category of open-space land, known colloquially as "eco labs." Specifically, Section 23.51(1), Tax Code, provides that "land used principally as an ecological laboratory by a public or private university" is considered as qualified open-space land under the Tax Code.

With no further definition identified for eco labs under the law, it has become a de facto loophole within the Tax Code utilized by a small number of landowners via an approval process lacking in consistency among the appraisal districts across the state. Removal of special carve outs in the law such as this one alleviates the tax burden on landowners as a whole.

As proposed, S.B. 1006 amends current law relating to the eligibility of land used as an ecological laboratory for appraisal for ad valorem tax purposes as qualified open-space land.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 23.51(1), Tax Code, to redefine "qualified open-space land," to provide that land that is used principally as an ecological laboratory by a public or private college or university does not qualify for appraisal as qualified open-space land under this subchapter (Appraisal of Agricultural Land) on the basis of that use, unless the land was appraised as qualified open space land under this subchapter on the basis of that use for the 2017 tax year.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: January 1, 2018.