

By: Hefner

H.B. No. 1880

A BILL TO BE ENTITLED

AN ACT

relating to the repeal of the additional ad valorem taxes imposed as a result of certain changes in the use of open-space land appraised as agricultural land.

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

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

(d) A notice required by Section 11.43(q), 11.45(d), 23.44(d), 23.46(c) or (f), 23.54(e), 23.541(c), ~~[23.55(e),]~~ 23.551(a), 23.57(d), 23.76(e), 23.79(d), or 23.85(d) must be sent by certified mail.

SECTION 2. Section 23.20(g), Tax Code, is amended to read as follows:

(g) A waiver of a special appraisal of property under Subchapter C, ~~[D,]~~ E, F, or G ~~[of this chapter]~~ does not constitute a change of use of the property or diversion of the property to another use for purposes of the imposition of additional taxes under any of those subchapters.

SECTION 3. Section 23.52(e), Tax Code, is amended to read as follows:

(e) The ~~[For the purposes of Section 23.55 of this code, the]~~ chief appraiser ~~[also]~~ shall determine the market value of qualified open-space land and shall record both the market value and the appraised value in the appraisal records.

1 SECTION 4. Section 23.551(a), Tax Code, is amended to read
2 as follows:

3 (a) If land appraised as provided by this subchapter is
4 owned by an individual 65 years of age or older, before making a
5 determination that ~~[a change in use of]~~ the land is no longer
6 eligible for appraisal under this subchapter ~~[has occurred]~~, the
7 chief appraiser shall deliver a written notice to the owner stating
8 that the chief appraiser believes ~~[a change in use of]~~ the land may
9 no longer be eligible for appraisal under this subchapter ~~[have~~
10 ~~occurred]~~.

11 SECTION 5. Sections 31.01(c) and (c-1), Tax Code, are
12 amended to read as follows:

13 (c) The tax bill or a separate statement accompanying the
14 tax bill shall:

15 (1) identify the property subject to the tax;

16 (2) state the appraised value, assessed value, and
17 taxable value of the property;

18 (3) if the property is land appraised as provided by
19 Subchapter C, ~~[D]~~ E, or H, Chapter 23, state the market value and
20 the taxable value for purposes of deferred or additional taxation
21 as provided by Section 23.46, ~~[23.55]~~ 23.76, or 23.9807, as
22 applicable;

23 (4) if the property is land appraised as provided by
24 Subchapter D, Chapter 23, state the market value of the land;

25 (5) state the assessment ratio for the unit;

26 (6) ~~[(5)]~~ state the type and amount of any partial
27 exemption applicable to the property, indicating whether it applies

1 to appraised or assessed value;

2 (7) [~~(6)~~] state the total tax rate for the unit;

3 (8) [~~(7)~~] state the amount of tax due, the due date,
4 and the delinquency date;

5 (9) [~~(8)~~] explain the payment option and discounts
6 provided by Sections 31.03 and 31.05, if available to the unit's
7 taxpayers, and state the date on which each of the discount periods
8 provided by Section 31.05 concludes, if the discounts are
9 available;

10 (10) [~~(9)~~] state the rates of penalty and interest
11 imposed for delinquent payment of the tax;

12 (11) [~~(10)~~] include the name and telephone number of
13 the assessor for the unit and, if different, of the collector for
14 the unit;

15 (12) [~~(11)~~] for real property, state for the current
16 tax year and each of the preceding five tax years:

17 (A) the appraised value and taxable value of the
18 property;

19 (B) the total tax rate for the unit;

20 (C) the amount of taxes imposed on the property
21 by the unit; and

22 (D) the difference, expressed as a percent
23 increase or decrease, as applicable, in the amount of taxes imposed
24 on the property by the unit compared to the amount imposed for the
25 preceding tax year; and

26 (13) [~~(12)~~] for real property, state the differences,
27 expressed as a percent increase or decrease, as applicable, in the

1 following for the current tax year as compared to the fifth tax year
2 before that tax year:

3 (A) the appraised value and taxable value of the
4 property;

5 (B) the total tax rate for the unit; and

6 (C) the amount of taxes imposed on the property
7 by the unit.

8 (c-1) If for any of the preceding six tax years any
9 information required by Subsection (c)(12) [~~(c)(11)~~] or (13) [~~(12)~~]
10 to be included in a tax bill or separate statement is unavailable,
11 the tax bill or statement must state that the information is not
12 available for that year.

13 SECTION 6. Section 41.41(a), Tax Code, is amended to read as
14 follows:

15 (a) A property owner is entitled to protest before the
16 appraisal review board the following actions:

17 (1) determination of the appraised value of the
18 owner's property or, in the case of land appraised as provided by
19 Subchapter C, D, E, or H, Chapter 23, determination of its appraised
20 or market value;

21 (2) unequal appraisal of the owner's property;

22 (3) inclusion of the owner's property on the appraisal
23 records;

24 (4) denial to the property owner in whole or in part of
25 a partial exemption;

26 (5) determination that the owner's land does not
27 qualify for appraisal as provided by Subchapter C, D, E, or H,

1 Chapter 23;

2 (6) identification of the taxing units in which the
3 owner's property is taxable in the case of the appraisal district's
4 appraisal roll;

5 (7) determination that the property owner is the owner
6 of property;

7 (8) a determination that a change in use of land
8 appraised under Subchapter C, [~~D~~] E, or H, Chapter 23, has
9 occurred; or

10 (9) any other action of the chief appraiser, appraisal
11 district, or appraisal review board that applies to and adversely
12 affects the property owner.

13 SECTION 7. Section 41.44(a), Tax Code, is amended to read as
14 follows:

15 (a) Except as provided by Subsections (b), (b-1), (c),
16 (c-1), and (c-2), to be entitled to a hearing and determination of a
17 protest, the property owner initiating the protest must file a
18 written notice of the protest with the appraisal review board
19 having authority to hear the matter protested:

20 (1) before May 1 or not later than the 30th day after
21 the date that notice to the property owner was delivered to the
22 property owner as provided by Section 25.19, if the property is a
23 single-family residence that qualifies for an exemption under
24 Section 11.13, whichever is later;

25 (2) before June 1 or not later than the 30th day after
26 the date that notice was delivered to the property owner as provided
27 by Section 25.19 in connection with any other property, whichever

1 is later;

2 (3) in the case of a protest of a change in the
3 appraisal records ordered as provided by Subchapter A of this
4 chapter or by Chapter 25, not later than the 30th day after the date
5 notice of the change is delivered to the property owner;

6 (4) in the case of a determination that a change in the
7 use of land appraised under Subchapter C, ~~D~~ E, or H, Chapter 23,
8 has occurred, not later than the 30th day after the date the notice
9 of the determination is delivered to the property owner; or

10 (5) in the case of a determination of eligibility for a
11 refund under Section 23.1243, not later than the 30th day after the
12 date the notice of the determination is delivered to the property
13 owner.

14 SECTION 8. Section 60.022, Agriculture Code, is amended to
15 read as follows:

16 Sec. 60.022. CONTENTS OF PETITION. A petition filed under
17 Section 60.021 must:

18 (1) describe the boundaries of the proposed district
19 by metes and bounds or by lot and block number, if there is a
20 recorded map or plat and survey of the area;

21 (2) include a name for the proposed district, which
22 must include the term "Agricultural Development District";

23 (3) be signed by the landowners of any land to be
24 included within the proposed district and provide an acknowledgment
25 consistent with Section 121.001, Civil Practice and Remedies Code,
26 that the landowners desire the land to be included in the district;

27 (4) include the names of at least five persons who are

1 willing and qualified to serve as temporary directors of the
2 district;

3 (5) name each county in which any agricultural
4 facilities to be owned by the district are to be located;

5 (6) name each municipality in which any part of the
6 district is to be located;

7 (7) state the general nature of the proposed
8 development and the cost of the development as then estimated by the
9 petitioners;

10 (8) state the necessity and feasibility of the
11 proposed district and whether the district will serve the public
12 purpose of furthering agricultural interests;

13 (9) include a pledge that the district will make
14 payments in lieu of taxes to any school district and county in which
15 any real property to be owned by the district is located, in ~~as~~
16 ~~follows:~~

17 [~~(A)~~] annual payments to each entity that are
18 equal to the amount of taxes imposed on the real property by the
19 entity in the year of the district's creation; and

20 [~~(B)~~ ~~a payment to each entity equal to the amount~~
21 ~~that would be due under Section 23.55, Tax Code, on the district's~~
22 ~~date of creation, and]~~

23 (10) include a pledge that, if the district employs
24 more than 50 persons, the district will make payments in lieu of
25 taxes to any school district, in addition to those made under
26 Subdivision (9), in an amount negotiated between the district and
27 the school district.

1 SECTION 9. Section 21.0421(e), Property Code, is amended to
2 read as follows:

3 (e) This section does not:

4 (1) authorize groundwater rights appraised separately
5 from the real property under this section to be appraised
6 separately from real property for property tax appraisal purposes;
7 or

8 (2) subject real property condemned for the purpose
9 described by Subsection (a) to an additional tax as provided by
10 Section 23.46 [~~or 23.55~~], Tax Code.

11 SECTION 10. The following provisions of the Tax Code are
12 repealed:

13 (1) Section 23.55; and

14 (2) Sections 23.58(c) and (d).

15 SECTION 11. The repeal of Section 23.55, Tax Code, by this
16 Act does not affect an additional tax imposed as a result of a
17 change of use of land appraised under Subchapter D, Chapter 23, Tax
18 Code, that occurred before the effective date of this Act, and the
19 former law is continued in effect for purposes of that tax.

20 SECTION 12. This Act takes effect September 1, 2017.