

By: Schaefer

H.B. No. 3928

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the appraisal of land for ad valorem tax purposes as
3 qualified open-space land following a transfer between family
4 members.

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

6 SECTION 1. Section 23.54, Tax Code, is amended by adding
7 Subsection (e-1) to read as follows:

8 (e-1) Notwithstanding Subsection (e), a person is not
9 required to file a new application for appraisal of land under this
10 subchapter because of a change in ownership of the land if the
11 change in ownership results from a transfer of the land from the
12 former owner to the person and the person is related to the former
13 owner within the second degree by affinity or third degree by
14 consanguinity, as determined under Subchapter B, Chapter 573,
15 Government Code.

16 SECTION 2. Section 25.25, Tax Code, is amended by adding
17 Subsections (d-1), (d-2), and (d-3) and amending Subsections (e)
18 and (m) to read as follows:

19 (d-1) The appraisal review board, on motion of the chief
20 appraiser or of the property owner, may direct by written order
21 changes in the appraisal roll as provided by this subsection. The
22 board may order the appraised value of the owner's land in either of
23 the two preceding tax years to be changed to the value at which the
24 land would have been appraised under Subchapter D, Chapter 23, if:

1 (1) the chief appraiser or the property owner
2 demonstrates by clear and convincing evidence that the land was
3 appraised under Subchapter D, Chapter 23, for three of the five
4 preceding tax years;

5 (2) the land was determined to be ineligible for
6 appraisal under Subchapter D, Chapter 23, for the applicable tax
7 year or years for which the change in appraised value is sought
8 because the property owner failed to file a new application for
9 appraisal under that subchapter after a change in ownership of the
10 land occurred;

11 (3) the change in ownership was the result of a
12 transfer of the land from a person to whom the property owner is
13 related within the second degree by affinity or third degree by
14 consanguinity, as determined under Subchapter B, Chapter 573,
15 Government Code; and

16 (4) the land continued to be used in a manner that
17 otherwise qualified the land for appraisal under Subchapter D,
18 Chapter 23, during the applicable tax year.

19 (d-2) If an appraisal roll is changed under Subsection
20 (d-1), the property owner must pay to each affected taxing unit a
21 penalty equal to 10 percent of the difference between the amount of
22 tax imposed on the land and the amount of tax that would have been
23 imposed had the land been taxed at market value. Payment of the
24 penalty is secured by the lien that attaches to the land under
25 Section 32.01 and is subject to enforced collection under Chapter
26 33.

27 (d-3) An appraisal roll may not be changed under Subsection

1 (d-1) if:

2 (1) the land was the subject of a protest brought by
3 the property owner under Chapter 41, a hearing on the protest was
4 conducted in which the property owner offered evidence or argument,
5 and the appraisal review board made a determination of the protest
6 on the merits; or

7 (2) the appraised value of the land was established as
8 a result of a written agreement between the property owner or the
9 owner's agent and the appraisal district.

10 (e) If the chief appraiser and the property owner do not
11 agree to the correction before the 15th day after the date the
12 motion is filed, a party bringing a motion under Subsection (c),
13 [~~e~~] (d), or (d-1) is entitled on request to a hearing on and a
14 determination of the motion by the appraisal review board. A party
15 bringing a motion under this section must describe the error or
16 errors that the motion is seeking to correct under Subsection (c) or
17 (d) or state the grounds for the change in appraised value sought
18 under Subsection (d-1). Not later than 15 days before the date of
19 the hearing, the board shall deliver written notice of the date,
20 time, and place of the hearing to the chief appraiser, the property
21 owner, and the presiding officer of the governing body of each
22 taxing unit in which the property is located. The chief appraiser,
23 the property owner, and each taxing unit are entitled to present
24 evidence and argument at the hearing and to receive written notice
25 of the board's determination of the motion. A property owner who
26 files the motion must comply with the payment requirements of
27 Section 25.26 or forfeit the right to a final determination of the

1 motion.

2 (m) The hearing on a motion under Subsection (c) ~~or~~ (d) ~~or~~
3 or (d-1) shall be conducted in the manner provided by Subchapter C,
4 Chapter 41.

5 SECTION 3. This Act takes effect January 1, 2018.