

By: Zaffirini

S.B. No. 700

A BILL TO BE ENTITLED

AN ACT

relating to the eligibility of land for appraisal for ad valorem tax purposes as qualified open-space land.

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

SECTION 1. Section 23.51, Tax Code, is amended by amending Subdivision (2) as follows:

(2) "Agricultural use" includes but is not limited to the following activities: cultivating the soil, producing crops for human food, animal feed, or planting seed or for the production of fibers; producing fruits and vegetables; floriculture, viticulture, and horticulture; raising or keeping livestock; raising or keeping exotic animals for the production of human food or of fiber, leather, pelts, or other tangible products having a commercial value; planting cover crops or leaving land idle for the purpose of participating in a governmental program, provided the land is not used for residential purposes or a purpose inconsistent with agricultural use; and planting cover crops or leaving land idle in conjunction with normal crop or livestock rotation procedure. The term also includes the use of land to produce or harvest logs and posts for the use in constructing or repairing fences, pens, barns, or other agricultural improvements on adjacent qualified open-space land having the same owner and devoted to a different agricultural use. The term also includes the use of land for wildlife management. The term also includes the use of land to

1 raise or keep bees for pollination or for the production of human
2 food or other tangible products having a commercial value, provided
3 that the land used is not less than 5 or more than 20 acres.

4 SECTION 2. Subchapter D, Chapter 23, Tax Code, is amended by
5 adding Sections 23.5215 to read as follows:

6 Sec. 23.5215. GUIDELINES FOR UNCOMMON AGRICULTURAL USES.

7 (a) The comptroller, in consultation with the Texas A&M AgriLife
8 Extension Service, individuals selected by the comptroller who
9 represent appraisal districts, and individuals selected by the
10 comptroller who represent small-scale producers, shall develop
11 guidelines for determining the degree of intensity for different
12 types of production methods and under what conditions the
13 cumulative effect of multiple agricultural uses of a tract of land
14 meets the degree of intensity generally accepted in the area.

15 (b) The comptroller, in consultation with the Texas A&M
16 AgriLife Extension Service, individuals selected by the
17 comptroller who represent appraisal districts, and individuals
18 selected by the comptroller who represent small-scale producers,
19 shall develop guidelines for determining under what conditions land
20 under 10 acres in size used for the production of fruits,
21 vegetables, poultry, hogs, sheep, or goats qualifies for appraisal
22 under this subchapter. The guidelines must provide that land under
23 10 acres in size that qualifies for appraisal under this subchapter
24 solely on the basis of the guidelines developed under this section
25 may not subsequently qualify under Section 23.51(7) for appraisal
26 under this subchapter if the owner changes the use of the land to
27 wildlife management.

1 (c) The guidelines developed under this section may include
2 recordkeeping requirements consistent with normal practices of
3 agricultural operations.

4 (d) The comptroller in developing guidelines under this
5 section may consider the following factors:

6 (1) the financial investment of a producer in an
7 agricultural use of a tract of land;

8 (2) the degree of active management of a producer in
9 the agricultural use of a tract of land;

10 (3) the percentage of a tract of land used by a
11 producer for agricultural uses; and

12 (4) any other factor the comptroller considers
13 appropriate.

14 (e) The comptroller, in cooperation with appraisal
15 districts, shall provide educational resources to chief appraisers
16 to assist with the appraisal of land using the guidelines developed
17 under this section.

18 (f) The comptroller shall convene stakeholder groups to
19 review the guidelines created under this section at least once
20 every 10 years, and shall issue new guidelines as appropriate.

21 SECTION 3. (a) Not later than September 1, 2018, the
22 comptroller shall develop standards required by Section 23.5215,
23 Tax Code, as added by this Act, and shall distribute those standards
24 to each appraisal district.

25 SECTION 4. This Act applies only to the appraisal of land
26 for ad valorem tax purposes for a tax year that begins on or after
27 January 1, 2019.

1 SECTION 5. This Act takes effect September 1, 2017.