

By: Estes

S.B. No. 1514

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the eligibility of land to continue to be appraised for
3 ad valorem tax purposes as qualified open-space land if the land
4 begins to be used for oil and gas operations.

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

6 SECTION 1. Subchapter D, Chapter 23, Tax Code, is amended by
7 adding Section 23.524 to read as follows:

8 Sec. 23.524. OIL AND GAS OPERATIONS ON LAND. The
9 eligibility of land for appraisal under this subchapter does not
10 end because a lessee under an oil and gas lease begins conducting
11 oil and gas operations over which the Railroad Commission of Texas
12 has jurisdiction on the land if the portion of the land on which oil
13 and gas operations are not being conducted otherwise continues to
14 qualify for appraisal under this subchapter.

15 SECTION 2. The change in law made by this Act does not
16 affect an additional tax imposed as a result of a change of use of
17 land appraised under Subchapter D, Chapter 23, Tax Code, that
18 occurred before the effective date of this Act.

19 SECTION 3. This Act takes effect on the date on which the
20 constitutional amendment proposed by the 85th Legislature, Regular
21 Session, 2017, authorizing the legislature to provide that the
22 eligibility of open-space land for ad valorem taxation on the basis
23 of its productive capacity does not end because an oil and gas
24 lessee begins conducting oil and gas operations on the land if the

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1 land otherwise continues to be devoted to farm, ranch, or wildlife
2 management purposes or timber production is approved by the voters.
3 If that amendment is not approved by the voters, this Act has no
4 effect.