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HOUSE OF REPRESENTATIVES

FLOOR AMENDMENT NO. _____

BY: Phil King

1 Amend C.S.H.B. No. 2 (house committee printing) by adding the
2 following appropriately numbered SECTIONS to the bill and
3 renumbering subsequent SECTIONS of the bill accordingly:

4 SECTION ____ . Section 60.022, Agriculture Code, is amended
5 to read as follows:

6 Sec. 60.022. CONTENTS OF PETITION. A petition filed under
7 Section 60.021 must:

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

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

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

17 (4) include the names of at least five persons who are
18 willing and qualified to serve as temporary directors of the
19 district;

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

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

24 (7) state the general nature of the proposed
25 development and the cost of the development as then estimated by the
26 petitioners;

27 (8) state the necessity and feasibility of the
28 proposed district and whether the district will serve the public
29 purpose of furthering agricultural interests;

1 (9) include a pledge that the district will make
2 payments in lieu of taxes to any school district and county in which
3 any real property to be owned by the district is located, as
4 follows:

5 (A) annual payments to each entity equal to the
6 amount of taxes imposed on the real property by the entity in the
7 year of the district's creation; and

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

11 (10) include a pledge that, if the district employs
12 more than 50 persons, the district will make payments in lieu of
13 taxes to any school district, in addition to those made under
14 Subdivision (9), in an amount negotiated between the district and
15 the school district.

16 SECTION _____. Sections 23.55(a), (b), (e), and (p), Tax
17 Code, are amended to read as follows:

18 (a) If the use of land that has been appraised as provided by
19 this subchapter changes, an additional tax payable to the school
20 district in which the land is located is imposed on the land equal
21 to the difference between the taxes imposed by the school district
22 on the land for each of the five years preceding the year in which
23 the change of use occurs that the land was appraised as provided by
24 this subchapter and the tax that would have been imposed by the
25 school district had the land been taxed on the basis of market value
26 in each of those years, plus interest at an annual rate of seven
27 percent calculated from the dates on which the differences would
28 have become due. For purposes of this subsection, the chief
29 appraiser may not consider any period during which land is owned by
30 the state in determining whether a change in the use of the land has
31 occurred.

1 (b) A tax lien attaches to the land on the date the change of
2 use occurs to secure payment of the additional tax and interest
3 imposed by this section and any penalties incurred. The lien exists
4 in favor of the school district [~~all taxing units~~] for which the
5 additional tax is imposed.

6 (e) Subject to Section 23.551, a determination that a change
7 in use of the land has occurred is made by the chief appraiser. The
8 chief appraiser shall deliver a notice of the determination to the
9 owner of the land as soon as possible after making the determination
10 and shall include in the notice an explanation of the owner's right
11 to protest the determination. If the owner does not file a timely
12 protest or if the final determination of the protest is that the
13 additional taxes are due, the assessor for the school district
14 [~~each taxing unit~~] shall prepare and deliver a bill for the
15 additional taxes plus interest as soon as practicable. The taxes
16 and interest are due and become delinquent and incur penalties and
17 interest as provided by law for ad valorem taxes imposed by the
18 school district [~~taxing unit~~] if not paid before the next February 1
19 that is at least 20 days after the date the bill is delivered to the
20 owner of the land.

21 (p) The sanctions provided by Subsection (a) do not apply to
22 real property transferred to an organization described by Section
23 11.181(a) if:

24 (1) the organization converts the real property to a
25 use for which the real property is eligible for an exemption under
26 Section 11.181(a); and

27 (2) [~~This subsection does not apply to the sanctions~~
28 ~~provided by Subsection (a) in connection with a change in use~~
29 ~~described by this subsection that are due to a county or school~~
30 ~~district unless~~] the governing body of the [~~county or~~] school
31 district[, ~~as applicable,~~] waives the sanctions in the manner

1 required by law for official action by the body.

2 SECTION ____ . Section 23.58(d), Tax Code, is amended to read
3 as follows:

4 (d) On the request of the borrower or the borrower's
5 representative, the assessor for a school district [~~each taxing~~
6 ~~unit~~] shall compute the additional taxes and interest that would be
7 due to the school district [~~that taxing unit~~] under Section 23.55 if
8 a change of use occurred on January 1 of the year in which the loan
9 is granted or amended. The assessor may charge a reasonable fee not
10 to exceed the actual cost of making the computation.

11 SECTION ____ . Sections 23.55(a), (b), (e), and (p) and
12 23.58(d), Tax Code, and Section 60.022, Agriculture Code, as
13 amended by this Act, apply only to a change of use of land that
14 occurs on or after January 1, 2020.