

By: King of Parker

H.B. No. 794

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the repeal of the additional ad valorem taxes imposed as
3 a result of certain changes in the use of open-space land appraised
4 as agricultural land.

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

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

8 (d) A notice required by Section 11.43(q), 11.45(d),
9 23.44(d), 23.46(c) or (f), 23.54(e), 23.541(c), [~~23.55(e),~~]
10 23.551(a), 23.57(d), 23.76(e), 23.79(d), or 23.85(d) must be sent
11 by certified mail.

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

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

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

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

1 SECTION 4. Section 23.524(e), Tax Code, as added by Chapter
2 44 (S.B. 1459), Acts of the 85th Legislature, Regular Session,
3 2017, is amended to read as follows:

4 (e) Notwithstanding Subsection (b) or (c), the eligibility
5 of [For the purposes of this subchapter, a change of use of the]
6 land subject to this section for appraisal under this subchapter is
7 considered to have ended [~~occurred~~] on the day the period
8 prescribed by Subsection (c) begins if the owner has not fully
9 complied with the terms of the agreement described by Subsection
10 (b) on the date the agreement ends.

11 SECTION 5. Sections 23.551(a) and (d), Tax Code, are
12 amended to read as follows:

13 (a) If land appraised as provided by this subchapter is
14 owned by an individual 65 years of age or older, before making a
15 determination that [~~a change in use of~~] the land is no longer
16 eligible for appraisal under this subchapter [~~has occurred~~], the
17 chief appraiser shall deliver a written notice to the owner stating
18 that the chief appraiser believes [~~a change in use of~~] the land may
19 no longer be eligible for appraisal under this subchapter [~~have~~
20 ~~occurred~~].

21 (d) If the chief appraiser does not receive a response on or
22 before the 60th day after the date the notice is mailed, the chief
23 appraiser must make a reasonable effort to locate the owner and
24 determine whether the land remains eligible to be appraised as
25 provided by this subchapter before determining that [~~a change in~~
26 ~~use of~~] the land is no longer eligible for appraisal under this
27 subchapter [~~has occurred~~].

1 SECTION 6. Sections 31.01(c) and (c-1), Tax Code, are
2 amended to read as follows:

3 (c) The tax bill or a separate statement accompanying the
4 tax bill shall:

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

6 (2) state the appraised value, assessed value, and
7 taxable value of the property;

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

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

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

16 (6) [~~(5)~~] state the type and amount of any partial
17 exemption applicable to the property, indicating whether it applies
18 to appraised or assessed value;

19 (7) [~~(6)~~] state the total tax rate for the unit;

20 (8) [~~(7)~~] state the amount of tax due, the due date,
21 and the delinquency date;

22 (9) [~~(8)~~] explain the payment option and discounts
23 provided by Sections 31.03 and 31.05, if available to the unit's
24 taxpayers, and state the date on which each of the discount periods
25 provided by Section 31.05 concludes, if the discounts are
26 available;

27 (10) [~~(9)~~] state the rates of penalty and interest

1 imposed for delinquent payment of the tax;

2 (11) [~~(10)~~] include the name and telephone number of
3 the assessor for the unit and, if different, of the collector for
4 the unit;

5 (12) [~~(11)~~] for real property, state for the current
6 tax year and each of the preceding five tax years:

7 (A) the appraised value and taxable value of the
8 property;

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

10 (C) the amount of taxes imposed on the property
11 by the unit; and

12 (D) the difference, expressed as a percent
13 increase or decrease, as applicable, in the amount of taxes imposed
14 on the property by the unit compared to the amount imposed for the
15 preceding tax year; and

16 (13) [~~(12)~~] for real property, state the differences,
17 expressed as a percent increase or decrease, as applicable, in the
18 following for the current tax year as compared to the fifth tax year
19 before that tax year:

20 (A) the appraised value and taxable value of the
21 property;

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

23 (C) the amount of taxes imposed on the property
24 by the unit.

25 (c-1) If for any of the preceding six tax years any
26 information required by Subsection (c)(12) [~~(c)(11)~~] or (13) [~~(12)~~]
27 to be included in a tax bill or separate statement is unavailable,

1 the tax bill or statement must state that the information is not
2 available for that year.

3 SECTION 7. Section 41.41(a), Tax Code, is amended to read as
4 follows:

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

7 (1) determination of the appraised value of the
8 owner's property or, in the case of land appraised as provided by
9 Subchapter C, D, E, or H, Chapter 23, determination of its appraised
10 or market value;

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

12 (3) inclusion of the owner's property on the appraisal
13 records;

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

16 (5) determination that the owner's land does not
17 qualify for appraisal as provided by Subchapter C, D, E, or H,
18 Chapter 23;

19 (6) identification of the taxing units in which the
20 owner's property is taxable in the case of the appraisal district's
21 appraisal roll;

22 (7) determination that the property owner is the owner
23 of property;

24 (8) a determination that a change in use of land
25 appraised under Subchapter C, ~~D~~ E, or H, Chapter 23, has
26 occurred; or

27 (9) any other action of the chief appraiser, appraisal

1 district, or appraisal review board that applies to and adversely
2 affects the property owner.

3 SECTION 8. Section 41.44(a), Tax Code, is amended to read as
4 follows:

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

10 (1) not later than May 15 or the 30th day after the
11 date that notice to the property owner was delivered to the property
12 owner as provided by Section 25.19, whichever is later;

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

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

21 (4) in the case of a determination of eligibility for a
22 refund under Section 23.1243, not later than the 30th day after the
23 date the notice of the determination is delivered to the property
24 owner.

25 SECTION 9. Section 60.022, Agriculture Code, is amended to
26 read as follows:

27 Sec. 60.022. CONTENTS OF PETITION. A petition filed under

1 Section 60.021 must:

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

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

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

11 (4) include the names of at least five persons who are
12 willing and qualified to serve as temporary directors of the
13 district;

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

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

18 (7) state the general nature of the proposed
19 development and the cost of the development as then estimated by the
20 petitioners;

21 (8) state the necessity and feasibility of the
22 proposed district and whether the district will serve the public
23 purpose of furthering agricultural interests;

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

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

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

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

12 SECTION 10. Section 21.0421(e), Property Code, is amended
13 to read as follows:

14 (e) This section does not:

15 (1) authorize groundwater rights appraised separately
16 from the real property under this section to be appraised
17 separately from real property for property tax appraisal purposes;
18 or

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

22 SECTION 11. The following provisions of the Tax Code are
23 repealed:

24 (1) Section 23.55; and

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

26 SECTION 12. The repeal of Section 23.55, Tax Code, by this
27 Act does not affect an additional tax imposed as a result of a

1 change of use of land appraised under Subchapter D, Chapter 23, Tax
2 Code, that occurred before the effective date of this Act, and the
3 former law is continued in effect for purposes of that tax.

4 SECTION 13. This Act takes effect September 1, 2019.