

By: Hefner

H.B. No. 1188

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), land remains eligible
9 for appraisal under this subchapter after a change in ownership of
10 the land occurs if the change in ownership results from a transfer
11 of the land from the former owner to a person who is related to the
12 former owner within the second degree by affinity or third degree by
13 consanguinity, as determined under Subchapter B, Chapter 573,
14 Government Code. A person described by this subsection must notify
15 the appraisal office of the transfer in writing within 180 days of
16 the date of the transfer.

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

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

1 land would have been appraised under Subchapter D, Chapter 23, if:

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

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

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

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

20 (d-2) If an appraisal roll is changed under Subsection
21 (d-1), the property owner must pay to each affected taxing unit a
22 penalty equal to 10 percent of the difference between the amount of
23 tax imposed on the land and the amount of tax that would have been
24 imposed had the land been taxed at market value. Payment of the
25 penalty is secured by the lien that attaches to the land under
26 Section 32.01 and is subject to enforced collection under Chapter
27 33.

1 (d-3) An appraisal roll may not be changed under Subsection
2 (d-1) if:

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

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

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

1 before, after, or between the cases presented by the chief
2 appraiser and each taxing unit. A property owner who files the
3 motion must comply with the payment requirements of Section 25.26
4 or forfeit the right to a final determination of the motion.

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

8 SECTION 3. This Act takes effect January 1, 2020.