

By: Ashby, Bailes, Paddie, White, Clardy,  
et al.

H.B. No. 1409

Substitute the following for H.B. No. 1409:

By: Wray

C.S.H.B. No. 1409

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to the qualification of land for appraisal for ad valorem  
3 tax purposes as timber land or restricted-use timber land.

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

5 SECTION 1. Section 23.72, Tax Code, is amended to read as  
6 follows:

7 Sec. 23.72. QUALIFICATION FOR PRODUCTIVITY APPRAISAL. (a)  
8 Land qualifies for appraisal as provided by this subchapter if it is  
9 currently and actively devoted principally to production of timber  
10 or forest products to the degree of intensity generally accepted in  
11 the area with intent to produce income and has been devoted  
12 principally to production of timber or forest products or to  
13 agricultural use that would qualify the land for appraisal under  
14 Subchapter C or D [~~of this chapter~~] for five of the preceding seven  
15 years.

16 (b) In determining whether land is currently and actively  
17 devoted principally to the production of timber or forest products  
18 to the degree of intensity generally accepted in an area, a chief  
19 appraiser may not consider the purpose for which a portion of a  
20 parcel of land is used if the portion is:

21 (1) used for the production of timber or forest  
22 products, including a road, right-of-way, buffer area, or  
23 firebreak; or

24 (2) subject to a right-of-way that was taken through

1 the exercise of the power of eminent domain.

2 (c) For the purpose of the appraisal of land under this  
3 subchapter, a portion of a parcel of land described by Subsection  
4 (b) is considered land that qualifies for appraisal under this  
5 subchapter if the remainder of the parcel of land qualifies for  
6 appraisal under this subchapter.

7 SECTION 2. Subchapter E, Chapter 23, Tax Code, is amended by  
8 adding Section 23.765 to read as follows:

9 Sec. 23.765. OIL AND GAS OPERATIONS ON LAND. The  
10 eligibility of land for appraisal under this subchapter does not  
11 end because a lessee under an oil and gas lease begins conducting  
12 oil and gas operations over which the Railroad Commission of Texas  
13 has jurisdiction on the land if the portion of the land on which oil  
14 and gas operations are not being conducted otherwise continues to  
15 qualify for appraisal under this subchapter.

16 SECTION 3. Section 23.9802, Tax Code, is amended by adding  
17 Subsections (d) and (e) to read as follows:

18 (d) In determining whether land qualifies for appraisal as  
19 provided by this subchapter, a chief appraiser may not consider the  
20 purpose for which a portion of a parcel of land is used if the  
21 portion is:

22 (1) used for the production of timber or forest  
23 products, including a road, right-of-way, buffer area, or  
24 firebreak; or

25 (2) subject to a right-of-way that was taken through  
26 the exercise of the power of eminent domain.

27 (e) For the purpose of the appraisal of land under this

1 subchapter, a portion of a parcel of land described by Subsection  
2 (d) is considered land that qualifies for appraisal under this  
3 subchapter if the remainder of the parcel of land qualifies for  
4 appraisal under this subchapter.

5 SECTION 4. Subchapter H, Chapter 23, Tax Code, is amended by  
6 adding Section 23.9808 to read as follows:

7 Sec. 23.9808. OIL AND GAS OPERATIONS ON LAND. The  
8 eligibility of land for appraisal under this subchapter does not  
9 end because a lessee under an oil and gas lease begins conducting  
10 oil and gas operations over which the Railroad Commission of Texas  
11 has jurisdiction on the land if the portion of the land on which oil  
12 and gas operations are not being conducted otherwise continues to  
13 qualify for appraisal under this subchapter.

14 SECTION 5. (a) Sections 23.72 and 23.9802, Tax Code, as  
15 amended by this Act, apply only to the appraisal of land for ad  
16 valorem tax purposes for a tax year that begins on or after the  
17 effective date of this Act.

18 (b) Sections 23.765 and 23.9808, Tax Code, as added by this  
19 Act, do not affect an additional tax imposed as a result of a change  
20 of use of land appraised under Subchapter E or H, Chapter 23, Tax  
21 Code, that occurred before the effective date of this Act.

22 SECTION 6. This Act takes effect September 1, 2019.