

1-1 By: Ashby, et al. (Senate Sponsor - Nichols) H.B. No. 1409  
1-2 (In the Senate - Received from the House April 11, 2019;  
1-3 April 15, 2019, read first time and referred to Committee on  
1-4 Property Tax; April 29, 2019, reported favorably by the following  
1-5 vote: Yeas 5, Nays 0; April 29, 2019, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	<u>Bettencourt</u>	X		
1-9	<u>Paxton</u>	X		
1-10	<u>Creighton</u>	X		
1-11	<u>Hancock</u>	X		
1-12	<u>Hinojosa</u>	X		

1-13 A BILL TO BE ENTITLED  
1-14 AN ACT

1-15 relating to the qualification of land for appraisal for ad valorem  
1-16 tax purposes as timber land or restricted-use timber land.

1-17 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-18 SECTION 1. Section 23.72, Tax Code, is amended to read as  
1-19 follows:

1-20 Sec. 23.72. QUALIFICATION FOR PRODUCTIVITY APPRAISAL. (a)  
1-21 Land qualifies for appraisal as provided by this subchapter if it is  
1-22 currently and actively devoted principally to production of timber  
1-23 or forest products to the degree of intensity generally accepted in  
1-24 the area with intent to produce income and has been devoted  
1-25 principally to production of timber or forest products or to  
1-26 agricultural use that would qualify the land for appraisal under  
1-27 Subchapter C or D [~~of this chapter~~] for five of the preceding seven  
1-28 years.

1-29 (b) In determining whether land is currently and actively  
1-30 devoted principally to the production of timber or forest products  
1-31 to the degree of intensity generally accepted in an area, a chief  
1-32 appraiser may not consider the purpose for which a portion of a  
1-33 parcel of land is used if the portion is:

1-34 (1) used for the production of timber or forest  
1-35 products, including a road, right-of-way, buffer area, or  
1-36 firebreak; or

1-37 (2) subject to a right-of-way that was taken through  
1-38 the exercise of the power of eminent domain.

1-39 (c) For the purpose of the appraisal of land under this  
1-40 subchapter, a portion of a parcel of land described by Subsection  
1-41 (b) is considered land that qualifies for appraisal under this  
1-42 subchapter if the remainder of the parcel of land qualifies for  
1-43 appraisal under this subchapter.

1-44 SECTION 2. Subchapter E, Chapter 23, Tax Code, is amended by  
1-45 adding Section 23.765 to read as follows:

1-46 Sec. 23.765. OIL AND GAS OPERATIONS ON LAND. The  
1-47 eligibility of land for appraisal under this subchapter does not  
1-48 end because a lessee under an oil and gas lease begins conducting  
1-49 oil and gas operations over which the Railroad Commission of Texas  
1-50 has jurisdiction on the land if the portion of the land on which oil  
1-51 and gas operations are not being conducted otherwise continues to  
1-52 qualify for appraisal under this subchapter.

1-53 SECTION 3. Section 23.9802, Tax Code, is amended by adding  
1-54 Subsections (d) and (e) to read as follows:

1-55 (d) In determining whether land qualifies for appraisal as  
1-56 provided by this subchapter, a chief appraiser may not consider the  
1-57 purpose for which a portion of a parcel of land is used if the  
1-58 portion is:

1-59 (1) used for the production of timber or forest  
1-60 products, including a road, right-of-way, buffer area, or  
1-61 firebreak; or

2-1 (2) subject to a right-of-way that was taken through  
2-2 the exercise of the power of eminent domain.

2-3 (e) For the purpose of the appraisal of land under this  
2-4 subchapter, a portion of a parcel of land described by Subsection  
2-5 (d) is considered land that qualifies for appraisal under this  
2-6 subchapter if the remainder of the parcel of land qualifies for  
2-7 appraisal under this subchapter.

2-8 SECTION 4. Subchapter H, Chapter 23, Tax Code, is amended by  
2-9 adding Section 23.9808 to read as follows:

2-10 Sec. 23.9808. OIL AND GAS OPERATIONS ON LAND. The  
2-11 eligibility of land for appraisal under this subchapter does not  
2-12 end because a lessee under an oil and gas lease begins conducting  
2-13 oil and gas operations over which the Railroad Commission of Texas  
2-14 has jurisdiction on the land if the portion of the land on which oil  
2-15 and gas operations are not being conducted otherwise continues to  
2-16 qualify for appraisal under this subchapter.

2-17 SECTION 5. (a) Sections 23.72 and 23.9802, Tax Code, as  
2-18 amended by this Act, apply only to the appraisal of land for ad  
2-19 valorem tax purposes for a tax year that begins on or after the  
2-20 effective date of this Act.

2-21 (b) Sections 23.765 and 23.9808, Tax Code, as added by this  
2-22 Act, do not affect an additional tax imposed as a result of a change  
2-23 of use of land appraised under Subchapter E or H, Chapter 23, Tax  
2-24 Code, that occurred before the effective date of this Act.

2-25 SECTION 6. This Act takes effect September 1, 2019.

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