

By: Harris

H.B. No. 1978

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 agricultural or open-space  
4 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 as  
13 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. Subchapter C, Chapter 23, Tax Code, is amended by  
20 adding Section 23.465 to read as follows:

21 Sec. 23.465. DETERMINATION OF CHANGE OF USE OF LAND. A  
22 determination that the land has been diverted to a nonagricultural  
23 use is made by the chief appraiser. For purposes of this section,  
24 the chief appraiser may not consider any period during which land is

1 owned by the state in determining whether the land has been diverted  
2 to a nonagricultural use. The chief appraiser shall deliver a  
3 notice of the determination to the owner of the land as soon as  
4 possible after making the determination and shall include in the  
5 notice an explanation of the owner's right to protest the  
6 determination.

7 SECTION 4. Section 23.52(e), Tax Code, is amended to read as  
8 follows:

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

13 SECTION 5. Section 23.524(e), Tax Code, as added by Chapter  
14 44 (S.B. 1459), Acts of the 85th Legislature, Regular Session,  
15 2017, is amended to read as follows:

16 (e) Notwithstanding Subsection (b) or (c), the eligibility  
17 of [~~For the purposes of this subchapter, a change of use of the~~]  
18 land subject to this section for appraisal under this subchapter is  
19 considered to have ended [~~occurred~~] on the day the period  
20 prescribed by Subsection (c) begins if the owner has not fully  
21 complied with the terms of the agreement described by Subsection  
22 (b) on the date the agreement ends.

23 SECTION 6. Subchapter D, Chapter 23, Tax Code, is amended by  
24 adding Section 23.545 to read as follows:

25 Sec. 23.545. DETERMINATION OF CHANGE OF USE OF LAND. A  
26 determination that a change in use of the land has occurred is made  
27 by the chief appraiser. The chief appraiser shall deliver a notice

1 of the determination to the owner of the land as soon as possible  
2 after making the determination and shall include in the notice an  
3 explanation of the owner's right to protest the determination.

4 SECTION 7. Sections 23.551(a) and (d), Tax Code, are  
5 amended to read as follows:

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

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

21 SECTION 8. Sections 31.01(c) and (c-1), Tax Code, are  
22 amended to read as follows:

23 (c) The tax bill or a separate statement accompanying the  
24 tax bill shall:

- 25 (1) identify the property subject to the tax;
- 26 (2) state the appraised value, assessed value, and  
27 taxable value of the property;

1           (3) if the property is land appraised as provided by  
2 Subchapter [~~C, D~~] E[~~7~~] or H, Chapter 23, state the market value and  
3 the taxable value for purposes of deferred or additional taxation  
4 as provided by Section [~~23.46, 23.55~~] 23.76[~~7~~] or 23.9807, as  
5 applicable;

6           (4) if the property is land appraised as provided by  
7 Subchapter C or D, Chapter 23, state the market value of the land;

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

9           (6) [~~(5)~~] state the type and amount of any partial  
10 exemption applicable to the property, indicating whether it applies  
11 to appraised or assessed value;

12           (7) [~~(6)~~] state the total tax rate for the unit;

13           (8) [~~(7)~~] state the amount of tax due, the due date,  
14 and the delinquency date;

15           (9) [~~(8)~~] explain the payment option and discounts  
16 provided by Sections 31.03 and 31.05, if available to the unit's  
17 taxpayers, and state the date on which each of the discount periods  
18 provided by Section 31.05 concludes, if the discounts are  
19 available;

20           (10) [~~(9)~~] state the rates of penalty and interest  
21 imposed for delinquent payment of the tax;

22           (11) [~~(10)~~] include the name and telephone number of  
23 the assessor for the unit and, if different, of the collector for  
24 the unit;

25           (12) [~~(11)~~] for real property, state for the current  
26 tax year and each of the preceding five tax years:

27           (A) the appraised value and taxable value of the

1 property;

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

3 (C) the amount of taxes imposed on the property  
4 by the unit; and

5 (D) the difference, expressed as a percent  
6 increase or decrease, as applicable, in the amount of taxes imposed  
7 on the property by the unit compared to the amount imposed for the  
8 preceding tax year; and

9 (13) [~~(12)~~] for real property, state the differences,  
10 expressed as a percent increase or decrease, as applicable, in the  
11 following for the current tax year as compared to the fifth tax year  
12 before that tax year:

13 (A) the appraised value and taxable value of the  
14 property;

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

16 (C) the amount of taxes imposed on the property  
17 by the unit.

18 (c-1) If for any of the preceding six tax years any  
19 information required by Subsection (c)(12) [~~(c)(11)~~] or (13) [~~(12)~~]  
20 to be included in a tax bill or separate statement is unavailable,  
21 the tax bill or statement must state that the information is not  
22 available for that year.

23 SECTION 9. Section [60.022](#), Agriculture Code, is amended to  
24 read as follows:

25 Sec. 60.022. CONTENTS OF PETITION. A petition filed under  
26 Section [60.021](#) must:

27 (1) describe the boundaries of the proposed district

1 by metes and bounds or by lot and block number, if there is a  
2 recorded map or plat and survey of the area;

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

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

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

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

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

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

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

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

26 [~~(A)~~] annual payments to each entity that are  
27 equal to the amount of taxes imposed on the real property by the

1 entity in the year of the district's creation; and

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

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

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

12 (e) This section does not~~+~~  
13 [~~(1)~~] authorize groundwater rights appraised  
14 separately from the real property under this section to be  
15 appraised separately from real property for property tax appraisal  
16 purposes~~[, or~~

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

20 SECTION 11. The following provisions of the Tax Code are  
21 repealed:

- 22 (1) Section 23.46;
- 23 (2) Sections 23.47(c) and (d);
- 24 (3) Section 23.55; and
- 25 (4) Sections 23.58(c) and (d).

26 SECTION 12. The repeal of Sections 23.46 and 23.55, Tax  
27 Code, by this Act does not affect an additional tax imposed as a

1 result of a sale or diversion to a nonagricultural use of land  
2 appraised under Subchapter C or a change of use of land appraised  
3 under Subchapter D, Chapter 23, Tax Code, that occurred before the  
4 effective date of this Act, and the former law is continued in  
5 effect for purposes of that tax.

6 SECTION 13. This Act takes effect immediately if it  
7 receives a vote of two-thirds of all the members elected to each  
8 house, as provided by Section 39, Article III, Texas Constitution.  
9 If this Act does not receive the vote necessary for immediate  
10 effect, this Act takes effect September 1, 2019.