

By: Sanford

H.B. No. 3358

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to the repeal of the additional ad valorem taxes imposed as  
3 a result of certain changes in the use of certain land.

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

5 ARTICLE 1. REPEAL OF ADDITIONAL TAX PROVISIONS IN SECTION 11.201

6 AND SUBCHAPTERS C, D, E, F, G, AND H, CHAPTER 23, TAX CODE

7 SECTION 1.01. Section 1.07(d), Tax Code, is amended to read  
8 as follows:

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

13 SECTION 1.02. Section 23.52(e), Tax Code, is amended to  
14 read as follows:

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

19 SECTION 1.03. Section 23.524(e), Tax Code, as added by  
20 Chapter 44 (S.B. 1459), Acts of the 85th Legislature, Regular  
21 Session, 2017, is amended to read as follows:

22 (e) Notwithstanding Subsection (b) or (c), the eligibility  
23 of [~~For the purposes of this subchapter, a change of use of the~~]  
24 land subject to this section for appraisal under this subchapter is

1 considered to have ended [~~occurred~~] on the day the period  
2 prescribed by Subsection (c) begins if the owner has not fully  
3 complied with the terms of the agreement described by Subsection  
4 (b) on the date the agreement ends.

5 SECTION 1.04. Sections 23.551(a) and (d), Tax Code, are  
6 amended to read as follows:

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

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

22 SECTION 1.05. Section 23.73(c), Tax Code, is amended to  
23 read as follows:

24 (c) The [~~For the purposes of Section 23.76 of this code,~~  
25 ~~the~~] chief appraiser [~~also~~] shall determine the market value of  
26 qualified timber land and shall record both the market value and the  
27 appraised value in the appraisal records.

1 SECTION 1.06. Section 31.01(c), Tax Code, is amended to  
2 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 of the  
10 land [~~and the taxable value for purposes of deferred or additional~~  
11 ~~taxation as provided by Section 23.46, 23.55, 23.76, or 23.9807, as~~  
12 ~~applicable~~];

13 (4) state the assessment ratio for the unit;

14 (5) state the type and amount of any partial exemption  
15 applicable to the property, indicating whether it applies to  
16 appraised or assessed value;

17 (6) state the total tax rate for the unit;

18 (7) state the amount of tax due, the due date, and the  
19 delinquency date;

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

24 (9) state the rates of penalty and interest imposed  
25 for delinquent payment of the tax;

26 (10) include the name and telephone number of the  
27 assessor for the unit and, if different, of the collector for the

1 unit;

2 (11) for real property, state for the current tax year  
3 and each of the preceding five tax years:

4 (A) the appraised value and taxable value of the  
5 property;

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

7 (C) the amount of taxes imposed on the property  
8 by the unit; and

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

13 (12) for real property, state the differences,  
14 expressed as a percent increase or decrease, as applicable, in the  
15 following for the current tax year as compared to the fifth tax year  
16 before that tax year:

17 (A) the appraised value and taxable value of the  
18 property;

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

20 (C) the amount of taxes imposed on the property  
21 by the unit.

22 SECTION 1.07. Section [41.41\(a\)](#), Tax Code, is amended to  
23 read as follows:

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

26 (1) determination of the appraised value of the  
27 owner's property or, in the case of land appraised as provided by

1 Subchapter C, D, E, or H, Chapter 23, determination of its appraised  
2 or market value;

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

4 (3) inclusion of the owner's property on the appraisal  
5 records;

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

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

11 (6) identification of the taxing units in which the  
12 owner's property is taxable in the case of the appraisal district's  
13 appraisal roll;

14 (7) determination that the property owner is the owner  
15 of property; or

16 (8) ~~[a determination that a change in use of land~~  
17 ~~appraised under Subchapter C, D, E, or H, Chapter 23, has occurred,~~

18 ~~or~~

19 ~~(9)~~ any other action of the chief appraiser,  
20 appraisal district, or appraisal review board that applies to and  
21 adversely affects the property owner.

22 SECTION 1.08. Sections 41.44(a) and (c), Tax Code, are  
23 amended to read as follows:

24 (a) Except as provided by Subsections (b), (c), (c-1), and  
25 (c-2), to be entitled to a hearing and determination of a protest,  
26 the property owner initiating the protest must file a written  
27 notice of the protest with the appraisal review board having

1 authority to hear the matter protested:

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

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

9 ~~(3) [in the case of a determination that a change in~~  
10 ~~the use of land appraised under Subchapter C, D, E, or H, Chapter~~  
11 ~~23, has occurred, not later than the 30th day after the date the~~  
12 ~~notice of the determination is delivered to the property owner; or~~

13 ~~[(4)]~~ in the case of a determination of eligibility  
14 for a refund under Section 23.1243, not later than the 30th day  
15 after the date the notice of the determination is delivered to the  
16 property owner.

17 (c) A property owner who files notice of a protest  
18 authorized by Section 41.411 is entitled to a hearing and  
19 determination of the protest if the property owner files the notice  
20 prior to the date the taxes on the property to which the notice  
21 applies become delinquent. ~~[An owner of land who files a notice of~~  
22 ~~protest under Subsection (a)(3) is entitled to a hearing and~~  
23 ~~determination of the protest without regard to whether the~~  
24 ~~appraisal records are approved.]~~

25 SECTION 1.09. Section 60.022, Agriculture Code, is amended  
26 to 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 1.10. 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  
16 separately from the real property under this section to be  
17 appraised separately from real property for property tax appraisal  
18 purposes~~[, 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 1.11. The following provisions of the Tax Code are  
23 repealed:

- 24           (1) Section 11.201;
- 25           (2) Section 23.20(g);
- 26           (3) Section 23.46;
- 27           (4) Sections 23.47(c) and (d);



- 1 (5) Section 23.55;
- 2 (6) Sections 23.58(c) and (d);
- 3 (7) Section 23.76;
- 4 (8) Section 23.86;
- 5 (9) Section 23.96; and
- 6 (10) Section 23.9807.

7 SECTION 1.12. The repeal of Sections 11.201, 23.46, 23.55,  
8 23.76, 23.86, 23.96, and 23.9807, Tax Code, by this Act does not  
9 affect an additional tax imposed as a result of a sale or change of  
10 use of land exempted under Section 11.20 or appraised under  
11 Subchapter C, D, E, F, G, or H, Chapter 23, Tax Code, that occurred  
12 before the effective date of this Act, and the former law is  
13 continued in effect for purposes of that tax.

14 ARTICLE 2. REPEAL OF ADDITIONAL TAX PROVISIONS IN SECTION 11.201  
15 AND SUBCHAPTERS D, E, F, G, AND H, CHAPTER 23, TAX CODE

16 SECTION 2.01. Section 1.07(d), Tax Code, is amended to read  
17 as follows:

18 (d) A notice required by Section 11.43(q), 11.45(d),  
19 23.44(d), 23.46(c) or (f), 23.54(e), 23.541(c), [~~23.55(e)~~],  
20 23.551(a), 23.57(d), [~~23.76(e)~~] 23.79(d), or 23.85(d) must be sent  
21 by certified mail.

22 SECTION 2.02. Section 23.20(g), Tax Code, is amended to  
23 read as follows:

24 (g) A waiver of a special appraisal of property under  
25 Subchapter C [~~, D, E, F, or G of this chapter~~] does not constitute a  
26 change of use of the property or diversion of the property to  
27 another use for purposes of the imposition of additional taxes

1 under that subchapter [~~any of those subchapters~~].

2 SECTION 2.03. Section 23.52(e), Tax Code, is amended to  
3 read as follows:

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

8 SECTION 2.04. Section 23.524(e), Tax Code, as added by  
9 Chapter 44 (S.B. 1459), Acts of the 85th Legislature, Regular  
10 Session, 2017, is amended to read as follows:

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

18 SECTION 2.05. Sections 23.551(a) and (d), Tax Code, are  
19 amended to read as follows:

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

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

8 SECTION 2.06. Section 23.73(c), Tax Code, is amended to  
9 read as follows:

10 (c) The ~~[For the purposes of Section 23.76 of this code,~~  
11 ~~the]~~ chief appraiser ~~[also]~~ shall determine the market value of  
12 qualified timber land and shall record both the market value and the  
13 appraised value in the appraisal records.

14 SECTION 2.07. Sections 31.01(c) and (c-1), Tax Code, are  
15 amended to read as follows:

16 (c) The tax bill or a separate statement accompanying the  
17 tax bill shall:

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

19 (2) state the appraised value, assessed value, and  
20 taxable value of the property;

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

26 (4) if the property is land appraised as provided by  
27 Subchapter D, E, or H, Chapter 23, state the market value of the

1 land;

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

3           (6) [~~(5)~~] state the type and amount of any partial  
4 exemption applicable to the property, indicating whether it applies  
5 to appraised or assessed value;

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

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

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

14           (10) [~~(9)~~] state the rates of penalty and interest  
15 imposed for delinquent payment of the tax;

16           (11) [~~(10)~~] include the name and telephone number of  
17 the assessor for the unit and, if different, of the collector for  
18 the unit;

19           (12) [~~(11)~~] for real property, state for the current  
20 tax year and each of the preceding five tax years:

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

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

24                   (C) the amount of taxes imposed on the property  
25 by the unit; and

26                   (D) the difference, expressed as a percent  
27 increase or decrease, as applicable, in the amount of taxes imposed

1 on the property by the unit compared to the amount imposed for the  
2 preceding tax year; and

3 (13) [~~(12)~~] for real property, state the differences,  
4 expressed as a percent increase or decrease, as applicable, in the  
5 following for the current tax year as compared to the fifth tax year  
6 before that tax year:

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

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

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

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

17 SECTION 2.08. Section 41.41(a), Tax Code, is amended to  
18 read as follows:

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

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

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

26 (3) inclusion of the owner's property on the appraisal  
27 records;

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

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

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

9           (7) determination that the property owner is the owner  
10 of property;

11           (8) a determination that a change in use of land  
12 appraised under Subchapter C, [~~D, E, or H,~~] Chapter 23, has  
13 occurred; or

14           (9) any other action of the chief appraiser, appraisal  
15 district, or appraisal review board that applies to and adversely  
16 affects the property owner.

17           SECTION 2.09. Section 41.44(a), Tax Code, is amended to  
18 read as follows:

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

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

27           (2) in the case of a protest of a change in the

1 appraisal records ordered as provided by Subchapter A of this  
2 chapter or by Chapter 25, not later than the 30th day after the date  
3 notice of the change is delivered to the property owner;

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

8 (4) in the case of a determination of eligibility for a  
9 refund under Section 23.1243, not later than the 30th day after the  
10 date the notice of the determination is delivered to the property  
11 owner.

12 SECTION 2.10. Section 60.022, Agriculture Code, is amended  
13 to read as follows:

14 Sec. 60.022. CONTENTS OF PETITION. A petition filed under  
15 Section 60.021 must:

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

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

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

25 (4) include the names of at least five persons who are  
26 willing and qualified to serve as temporary directors of the  
27 district;

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

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

5 (7) state the general nature of the proposed  
6 development and the cost of the development as then estimated by the  
7 petitioners;

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

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

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

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

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

26 SECTION 2.11. Section 21.0421(e), Property Code, is amended  
27 to read as follows:



1 (e) This section does not:

2 (1) authorize groundwater rights appraised separately  
3 from the real property under this section to be appraised  
4 separately from real property for property tax appraisal purposes;  
5 or

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

9 SECTION 2.12. The following provisions of the Tax Code are  
10 repealed:

- 11 (1) Section 11.201;  
12 (2) Section 23.55;  
13 (3) Sections 23.58(c) and (d);  
14 (4) Section 23.76;  
15 (5) Section 23.86;  
16 (6) Section 23.96; and  
17 (7) Section 23.9807.

18 SECTION 2.13. The repeal of Sections 11.201, 23.55, 23.76,  
19 23.86, 23.96, and 23.9807, Tax Code, by this Act does not affect an  
20 additional tax imposed as a result of a sale or change of use of land  
21 exempted under Section 11.20 or appraised under Subchapter D, E, F,  
22 G, or H, Chapter 23, Tax Code, that occurred before the effective  
23 date of this Act, and the former law is continued in effect for  
24 purposes of that tax.

25 ARTICLE 3. EFFECTIVE DATE

26 SECTION 3.01. (a) Except as otherwise provided by this  
27 section, this Act takes effect January 1, 2020.

1           (b) Article 1 of this Act takes effect only if the  
2 constitutional amendment proposed by the 86th Legislature, Regular  
3 Session, 2019, repealing the provision that subjects land  
4 designated for agricultural use to an additional tax when the land  
5 is diverted to a purpose other than agricultural use or sold is  
6 approved by the voters. If that amendment is not approved by the  
7 voters, Article 1 of this Act has no effect.

8           (c) Article 2 of this Act takes effect only if Article 1 of  
9 this Act does not take effect. If Article 1 of this Act takes  
10 effect, Article 2 of this Act has no effect.