

By: Nichols

S.B. No. 701

A BILL TO BE ENTITLED

AN ACT

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

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

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

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

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

(1) used for a purpose associated with the production of timber or forest products, including use as a road, right-of-way, buffer area, or firebreak; or

(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 a purpose associated with the production
23 of timber or forest products, including use as a road,
24 right-of-way, buffer area, or 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.