

# All Published Pre-filed Amendments for HB 3833

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## Shine

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Amendment

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FLOOR AMENDMENT NO. \_\_\_\_\_

BY: SHINE

1 Amend H.B. No. 3833 (house committee printing) by striking  
2 all below the enacting clause and substituting the following:

3 SECTION 1. Sections 23.55(a), (b), (e), (f), (m), and (n),  
4 Tax Code, are amended to read as follows:

5 (a) If the use of land that has been appraised as provided by  
6 this subchapter changes, an additional tax is imposed on the land  
7 equal to the difference between the taxes imposed on the land for  
8 each of the three years preceding the year in which the change of  
9 use occurs that the land was appraised as provided by this  
10 subchapter and the tax that would have been imposed had the land  
11 been taxed on the basis of market value in each of those years [~~7~~  
12 ~~plus interest at an annual rate of five percent calculated from the~~  
13 ~~dates on which the differences would have become due~~]. For purposes  
14 of this subsection, the chief appraiser may not consider any period  
15 during which land is owned by the state in determining whether a  
16 change in the use of the land has occurred.

17 (b) A tax lien attaches to the land on the date the change of  
18 use occurs to secure payment of the additional tax [~~and interest~~]  
19 imposed by this section and any penalties and interest incurred if  
20 the tax becomes delinquent. The lien exists in favor of all taxing  
21 units for which the additional tax is imposed.

22 (e) Subject to Section 23.551, a determination that a change  
23 in use of the land has occurred is made by the chief appraiser. The  
24 chief appraiser shall deliver a notice of the determination to the  
25 owner of the land as soon as possible after making the determination  
26 and shall include in the notice an explanation of the owner's right  
27 to protest the determination. If the owner does not file a timely  
28 protest or if the final determination of the protest is that the  
29 additional taxes are due, the assessor for each taxing unit shall

1 prepare and deliver a bill for the additional taxes [~~plus interest~~]  
2 as soon as practicable. The taxes [~~and interest~~] are due and  
3 become delinquent and incur penalties and interest as provided by  
4 law for ad valorem taxes imposed by the taxing unit if not paid  
5 before the next February 1 that is at least 20 days after the date  
6 the bill is delivered to the owner of the land.

7 (f) The sanctions provided by Subsection (a) [~~of this~~  
8 ~~section~~] do not apply if the change of use occurs as a result of:

9 (1) a sale for right-of-way;

10 (2) a condemnation;

11 (3) a transfer of the property to the state or a  
12 political subdivision of the state to be used for a public purpose;  
13 or

14 (4) a transfer of the property from the state, a  
15 political subdivision of the state, or a nonprofit corporation  
16 created by a municipality with a population of more than one million  
17 under the Development Corporation Act (Subtitle C1, Title 12, Local  
18 Government Code) to an individual or a business entity for purposes  
19 of economic development if the comptroller determines that the  
20 economic development is likely to generate for deposit in the  
21 general revenue fund during the next two fiscal bienniums an amount  
22 of taxes and other revenues that equals or exceeds 20 times the  
23 amount of additional taxes [~~and interest~~] that would have been  
24 imposed under Subsection (a) had the sanctions provided by that  
25 subsection applied to the transfer.

26 (m) For purposes of determining whether a transfer of land  
27 qualifies for the exemption from additional taxes provided by  
28 Subsection (f)(4), on an application of the entity transferring or  
29 proposing to transfer the land or of the individual or entity to  
30 which the land is transferred or proposed to be transferred, the  
31 comptroller shall determine the amount of taxes and other revenues

1 likely to be generated as a result of the economic development for  
2 deposit in the general revenue fund during the next two fiscal  
3 bienniums. If the comptroller determines that the amount of those  
4 revenues is likely to equal or exceed 20 times the amount of  
5 additional taxes [~~and interest~~] that would be imposed under  
6 Subsection (a) if the sanctions provided by that subsection applied  
7 to the transfer, the comptroller shall issue a letter to the  
8 applicant stating the comptroller's determination and shall send a  
9 copy of the letter by regular mail to the chief appraiser.

10 (n) Within one year of the conclusion of the two fiscal  
11 bienniums for which the comptroller issued a letter as provided  
12 under Subsection (m), the board of directors of the appraisal  
13 district, by official board action, may direct the chief appraiser  
14 to request the comptroller to determine if the amount of revenues  
15 was equal to or exceeded 20 times the amount of taxes [~~and interest~~]  
16 that would have been imposed under Subsection (a). The comptroller  
17 shall issue a finding as to whether the amount of revenue met the  
18 projected increases. The chief appraiser shall review the results  
19 of the comptroller's finding and shall make a determination as to  
20 whether sanctions under Subsection (a) should be imposed. If the  
21 chief appraiser determines that the sanctions provided by  
22 Subsection (a) shall be imposed, the sanctions shall be based on the  
23 date of the transfer of the property under Subsection (f)(4).

24 SECTION 2. Sections 23.58(c) and (d), Tax Code, are amended  
25 to read as follows:

26 (c) A provision in an instrument pertaining to a loan  
27 secured by a lien in favor of the lender on land appraised according  
28 to this subchapter that requires the borrower to make a payment to  
29 protect the lender from loss because of the imposition of  
30 additional taxes [~~and interest~~] under Section 23.55 is void unless  
31 the provision:

1           (1) requires the borrower to pay into an escrow  
2 account established by the lender an amount equal to the additional  
3 taxes [~~and interest~~] that would be due under Section 23.55 if a  
4 change of use occurred on January 1 of the year in which the loan is  
5 granted or amended;

6           (2) requires the escrow account to bear interest to be  
7 credited to the account monthly;

8           (3) permits the lender to apply money in the escrow  
9 account to the payment of a bill for additional taxes [~~and interest~~]  
10 under Section 23.55 before the loan is paid and requires the lender  
11 to refund the balance remaining in the escrow account after the bill  
12 is paid to the borrower; and

13           (4) requires the lender to refund the money in the  
14 escrow account to the borrower on the payment of the loan.

15           (d) On the request of the borrower or the borrower's  
16 representative, the assessor for each taxing unit shall compute the  
17 additional taxes [~~and interest~~] that would be due that taxing unit  
18 under Section 23.55 if a change of use occurred on January 1 of the  
19 year in which the loan is granted or amended. The assessor may  
20 charge a reasonable fee not to exceed the actual cost of making the  
21 computation.

22           SECTION 3. Sections 23.76(a), (b), and (e), Tax Code, are  
23 amended to read as follows:

24           (a) If the use of land that has been appraised as provided by  
25 this subchapter changes, an additional tax is imposed on the land  
26 equal to the difference between the taxes imposed on the land for  
27 each of the three years preceding the year in which the change of  
28 use occurs that the land was appraised as provided by this  
29 subchapter and the tax that would have been imposed had the land  
30 been taxed on the basis of market value in each of those years [~~7~~  
31 ~~plus interest at an annual rate of five percent calculated from the~~

1 ~~dates on which the differences would have become due].~~

2 (b) A tax lien attaches to the land on the date the change of  
3 use occurs to secure payment of the additional tax [~~and interest~~]  
4 imposed by this section and any penalties and interest incurred if  
5 the tax becomes delinquent. The lien exists in favor of all taxing  
6 units for which the additional tax is imposed.

7 (e) A determination that a change in use of the land has  
8 occurred is made by the chief appraiser. The chief appraiser shall  
9 deliver a notice of the determination to the owner of the land as  
10 soon as possible after making the determination and shall include  
11 in the notice an explanation of the owner's right to protest the  
12 determination. If the owner does not file a timely protest or if  
13 the final determination of the protest is that the additional taxes  
14 are due, the assessor for each taxing unit shall prepare and deliver  
15 a bill for the additional taxes [~~and interest~~] as soon as  
16 practicable after the change of use occurs. The taxes [~~and~~  
17 ~~interest~~] are due and become delinquent and incur penalties and  
18 interest as provided by law for ad valorem taxes imposed by the  
19 taxing unit if not paid before the next February 1 that is at least  
20 20 days after the date the bill is delivered to the owner of the  
21 land.

22 SECTION 4. Sections 23.86(a) and (b), Tax Code, are amended  
23 to read as follows:

24 (a) If land that has been appraised under this subchapter is  
25 no longer subject to a deed restriction or is diverted to a use  
26 other than recreational, park, or scenic uses, an additional tax is  
27 imposed on the land equal to the difference between the taxes  
28 imposed on the land for each of the three [~~five~~] years preceding the  
29 year in which the change of use occurs or the deed restriction  
30 expires that the land was appraised as provided by this subchapter  
31 and the tax that would have been imposed had the land not been

1 restricted to recreational, park, or scenic uses in each of those  
2 years[~~, plus interest at an annual rate of seven percent calculated~~  
3 ~~from the dates on which the differences would have become due~~].

4 (b) A tax lien attaches to the land on the date the change of  
5 use occurs or the deed restriction expires to secure payment of the  
6 additional tax [~~and interest~~] imposed by this section and any  
7 penalties and interest incurred if the tax becomes delinquent. The  
8 lien exists in favor of all taxing units for which the additional  
9 tax is imposed.

10 SECTION 5. Sections 23.96(a) and (b), Tax Code, are amended  
11 to read as follows:

12 (a) If airport property that has been appraised under this  
13 subchapter is no longer subject to a deed restriction, an  
14 additional tax is imposed on the property equal to the difference  
15 between the taxes imposed on the property for each of the three  
16 [~~five~~] years preceding the year in which the deed restriction  
17 expires that the property was appraised as provided by this  
18 subchapter and the tax that would have been imposed had the property  
19 not been restricted to use as public access airport property in each  
20 of those years[~~, plus interest at an annual rate of seven percent~~  
21 ~~calculated from the dates on which the differences would have~~  
22 ~~become due~~].

23 (b) A tax lien attaches to the property on the date the deed  
24 restriction expires to secure payment of the additional tax [~~and~~  
25 ~~interest~~] imposed by this section and any penalties and interest  
26 incurred if the tax becomes delinquent. The lien exists in favor of  
27 all taxing units for which the additional tax is imposed.

28 SECTION 6. Sections 23.9807(a), (b), (c), and (f), Tax  
29 Code, are amended to read as follows:

30 (a) If the use of land that has been appraised as provided by  
31 this subchapter changes to a use that qualifies the land for



1 appraisal under Subchapter E, an additional tax is imposed on the  
2 land equal to ~~[the sum of:~~

3 ~~[(1)]~~ the difference between:

4 (1) ~~[(A)]~~ the taxes imposed on the land for each of the  
5 three ~~[five]~~ years preceding the year in which the change of use  
6 occurs that the land was appraised as provided by this subchapter;  
7 and

8 (2) ~~[(B)]~~ the taxes that would have been imposed had  
9 the land been appraised under Subchapter E in each of those years ~~[+~~  
10 ~~and~~

11 ~~[(2) interest at an annual rate of seven percent~~  
12 ~~calculated from the dates on which the differences would have~~  
13 ~~become due].~~

14 (b) If the use of land that has been appraised as provided by  
15 this subchapter changes to a use that does not qualify the land for  
16 appraisal under Subchapter E or under this subchapter, an  
17 additional tax is imposed on the land equal to ~~[the sum of:~~

18 ~~[(1)]~~ the difference between:

19 (1) ~~[(A)]~~ the taxes imposed on the land for each of the  
20 three ~~[five]~~ years preceding the year in which the change of use  
21 occurs that the land was appraised as provided by this subchapter;  
22 and

23 (2) ~~[(B)]~~ the taxes that would have been imposed had  
24 the land been taxed on the basis of market value in each of those  
25 years ~~[+ and~~

26 ~~[(2) interest at an annual rate of seven percent~~  
27 ~~calculated from the dates on which the differences would have~~  
28 ~~become due].~~

29 (c) A tax lien attaches to the land on the date the change of  
30 use occurs to secure payment of the additional tax ~~[and interest]~~  
31 imposed by this section and any penalties and interest incurred if

1 the tax becomes delinquent. The lien exists in favor of all taxing  
2 units for which the additional tax is imposed.

3 (f) A determination that a change in use of the land has  
4 occurred is made by the chief appraiser. The chief appraiser shall  
5 deliver a notice of the determination to the owner of the land as  
6 soon as possible after making the determination and shall include  
7 in the notice an explanation of the owner's right to protest the  
8 determination. If the owner does not file a timely protest or if  
9 the final determination of the protest is that the additional taxes  
10 are due, the assessor for each taxing unit shall prepare and deliver  
11 a bill for the additional taxes [~~and interest~~] as soon as  
12 practicable after the change of use occurs. The taxes [~~and~~  
13 ~~interest~~] are due and become delinquent and incur penalties and  
14 interest as provided by law for ad valorem taxes imposed by the  
15 taxing unit if not paid before the next February 1 that is at least  
16 20 days after the date the bill is delivered to the owner of the  
17 land.

18 SECTION 7. Section 23.55, Tax Code, as amended by this Act,  
19 applies only to a change of use of land appraised under Subchapter  
20 D, Chapter 23, Tax Code, that occurs on or after the effective date  
21 of this Act.

22 SECTION 8. Section 23.58, Tax Code, as amended by this Act,  
23 applies only to a loan secured by a lien on open-space land that is  
24 contracted for on or after the effective date of this Act.

25 SECTION 9. Section 23.76, Tax Code, as amended by this Act,  
26 applies only to a change of use of land appraised under Subchapter  
27 E, Chapter 23, Tax Code, that occurs on or after the effective date  
28 of this Act.

29 SECTION 10. Section 23.86, Tax Code, as amended by this Act,  
30 applies only to a change of use of land appraised under Subchapter  
31 F, Chapter 23, Tax Code, that occurs on or after the effective date

1 of this Act.

2           SECTION 11. Section 23.96, Tax Code, as amended by this Act,  
3 applies only to a change of use of land appraised under Subchapter  
4 G, Chapter 23, Tax Code, that occurs on or after the effective date  
5 of this Act.

6           SECTION 12. Section 23.9807, Tax Code, as amended by this  
7 Act, applies only to a change of use of land appraised under  
8 Subchapter H, Chapter 23, Tax Code, that occurs on or after the  
9 effective date of this Act.

10           SECTION 13. This Act takes effect immediately if it  
11 receives a vote of two-thirds of all the members elected to each  
12 house, as provided by Section 39, Article III, Texas Constitution.  
13 If this Act does not receive the vote necessary for immediate  
14 effect, this Act takes effect September 1, 2021.