

BILL ANALYSIS

Senate Research Center
87R19552 RDS-D

H.B. 2535
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Local Government
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Concerns have been raised regarding inconsistencies in the appraisal of certain real property that includes improvements for noncommercial food production. Certain chief appraisers include the value of these improvements in the value of the real property. However, owners of such improvements argue the improvements are similar to trade fixtures, which are excluded from the value of real property.

H.B. 2535 seeks to provide increased uniformity in appraisals by requiring that certain improvements used for the noncommercial production of food for personal consumption be excluded from the market value of real property.

H.B. 2535 amends current law relating to the appraisal for ad valorem tax purposes of real property that includes certain improvements used for the noncommercial production of food for personal consumption.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 23.014, Tax Code, as follows:

Sec. 23.014. EXCLUSION OF PROPERTY AS REAL PROPERTY. Requires the chief appraiser, except as provided by Section 23.24(b) (relating to requiring the chief appraiser to include the combined value of real and personal property when determining the market value of real property), in determining the market value of real property, to analyze the effect on that value of, and exclude from that value the value of, any:

- (1) makes no changes to this subdivision;
- (2) makes a nonsubstantive change to this subdivision;
- (3) chicken coops or rabbit pens used for the noncommercial production of food for personal consumption; or
- (4) redesignates existing Subdivision (3) as Subdivision (4) and makes no further changes.

SECTION 2. Provides that this Act applies only to the appraisal of property for a tax year beginning on or after the effective date of this Act.

SECTION 3. Effective date: January 1, 2022.