87R7777 RDS-F

By:  King of Parker H.B. No. 3833

A BILL TO BE ENTITLED

AN ACT

relating to the additional ad valorem tax and interest imposed as a result of a change in the use of certain land.

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

SECTION 1.  Section 23.86(a), Tax Code, is amended to read as follows:

(a)  If land that has been appraised under this subchapter is no longer subject to a deed restriction or is diverted to a use other than recreational, park, or scenic uses, an additional tax is imposed on the land equal to the difference between the taxes imposed on the land for each of the three [~~five~~] years preceding the year in which the change of use occurs or the deed restriction expires that the land was appraised as provided by this subchapter and the tax that would have been imposed had the land not been restricted to recreational, park, or scenic uses in each of those years, plus interest at an annual rate of five [~~seven~~] percent calculated from the dates on which the differences would have become due.

SECTION 2.  Section 23.96(a), Tax Code, is amended to read as follows:

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

SECTION 3.  Sections 23.9807(a) and (b), Tax Code, are amended to read as follows:

(a)  If the use of land that has been appraised as provided by this subchapter changes to a use that qualifies the land for appraisal under Subchapter E, an additional tax is imposed on the land equal to the sum of:

(1)  the difference between:

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

(B)  the taxes that would have been imposed had the land been appraised under Subchapter E in each of those years; and

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

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

(1)  the difference between:

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

(B)  the taxes that would have been imposed had the land been taxed on the basis of market value in each of those years; and

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

SECTION 4.  The changes in law made by this Act apply only to a change of use of land appraised under Subchapter F, G, or H, Chapter 23, Tax Code, that occurs on or after the effective date of this Act. A change in the use of land appraised under Subchapter F, G, or H, Chapter 23, Tax Code, that occurs before the effective date of this Act is governed by the law in effect on the date the change of use occurred, and the former law is continued in effect for that purpose.

SECTION 5.  This Act takes effect September 1, 2021.