

By: White

H.B. No. 2288

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the repeal of the additional ad valorem taxes imposed as
3 a result of the sale or change in the use of land appraised as
4 agricultural or open-space land.

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

6 ARTICLE 1. REPEAL OF ADDITIONAL TAX PROVISIONS IN SUBCHAPTERS C AND
7 D, CHAPTER 23, TAX CODE

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

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

14 SECTION 1.02. Section 23.20(g), Tax Code, is amended to
15 read as follows:

16 (g) A waiver of a special appraisal of property under
17 Subchapter [~~C, D~~] E, F, or G of this chapter does not constitute a
18 change of use of the property or diversion of the property to
19 another use for purposes of the imposition of additional taxes
20 under any of those subchapters.

21 SECTION 1.03. Section 23.52(e), Tax Code, is amended to
22 read as follows:

23 (e) The [~~For the purposes of Section 23.55 of this code,~~
24 ~~the~~] chief appraiser [~~also~~] shall determine the market value of

1 qualified open-space land and shall record both the market value
2 and the appraised value in the appraisal records.

3 SECTION 1.04. Section 23.524(e), Tax Code, is amended to
4 read as follows:

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

12 SECTION 1.05. Sections 23.551(a) and (d), Tax Code, are
13 amended to read as follows:

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

22 (d) If the chief appraiser does not receive a response on or
23 before the 60th day after the date the notice is mailed, the chief
24 appraiser must make a reasonable effort to locate the owner and
25 determine whether the land remains eligible to be appraised as
26 provided by this subchapter before determining that [~~a change in~~
27 ~~use of~~] the land is no longer eligible for appraisal under this

1 subchapter [~~has occurred~~].

2 SECTION 1.06. Section 31.01(c), Tax Code, is amended to
3 read as follows:

4 (c) The tax bill or a separate statement accompanying the
5 tax bill shall:

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

7 (2) state the appraised value, assessed value, and
8 taxable value of the property;

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

14 (4) state the assessment ratio for the taxing unit;

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

18 (6) state the total tax rate for the taxing unit;

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

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

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

1 (10) include the name and telephone number of the
2 assessor for the taxing unit and, if different, of the collector for
3 the taxing unit;

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

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

8 (B) the total tax rate for the taxing unit;

9 (C) the amount of taxes imposed on the property
10 by the taxing unit; and

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

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

19 (A) the appraised value and taxable value of the
20 property;

21 (B) the total tax rate for the taxing unit; and

22 (C) the amount of taxes imposed on the property
23 by the taxing unit.

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

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

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

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

6 (3) inclusion of the owner's property on the appraisal
7 records;

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

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

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

16 (7) determination that the property owner is the owner
17 of property;

18 (8) [~~a~~] determination that a change in use of land
19 appraised under Subchapter [~~C, D, E~~] E [~~7~~] or H, Chapter 23, has
20 occurred; or

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

24 SECTION 1.08. Section 41.44(a), Tax Code, is amended to
25 read as follows:

26 (a) Except as provided by Subsections (b), (c), (c-1), and
27 (c-2), to be entitled to a hearing and determination of a protest,

1 the property owner initiating the protest must file a written
2 notice of the protest with the appraisal review board having
3 authority to hear the matter protested:

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

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

11 (3) in the case of a determination that a change in the
12 use of land appraised under Subchapter [~~C, D, T~~] E [~~T~~] or H, Chapter
13 23, has occurred, not later than the 30th day after the date the
14 notice of the determination is delivered to the property owner;

15 (4) in the case of a determination of eligibility for a
16 refund under Section 23.1243, not later than the 30th day after the
17 date the notice of the determination is delivered to the property
18 owner; or

19 (5) in the case of a protest of the modification or
20 denial of an application for an exemption under Section 11.35, or
21 the determination of an appropriate damage assessment rating for an
22 item of qualified property under that section, not later than the
23 30th day after the date the property owner receives the notice
24 required under Section 11.45(e).

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 23.46;
25 (2) Sections 23.47(c) and (d);
26 (3) Section 23.55; and
27 (4) Sections 23.58(c) and (d).

1 SECTION 1.12. The repeal of Sections 23.46 and 23.55, Tax
2 Code, by this Act does not affect an additional tax imposed as a
3 result of a sale or change of use of land appraised under Subchapter
4 C or D, Chapter 23, Tax Code, that occurred before the effective
5 date of this Act, and the former law is continued in effect for
6 purposes of that tax.

7 ARTICLE 2. REPEAL OF ADDITIONAL TAX PROVISIONS IN SUBCHAPTER D,
8 CHAPTER 23, TAX CODE

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

11 (d) A notice required by Section 11.43(q), 11.45(d),
12 23.44(d), 23.46(c) or (f), 23.54(e), 23.541(c), [~~23.55(e)~~],
13 23.551(a), 23.57(d), 23.76(e), 23.79(d), or 23.85(d) must be sent
14 by certified mail.

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

17 (g) A waiver of a special appraisal of property under
18 Subchapter C, [~~D~~] E, F, or G of this chapter does not constitute a
19 change of use of the property or diversion of the property to
20 another use for purposes of the imposition of additional taxes
21 under any of those subchapters.

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

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

1 SECTION 2.04. Section 23.524(e), Tax Code, is amended to
2 read as follows:

3 (e) Notwithstanding Subsection (b) or (c), the eligibility
4 of [~~For the purposes of this subchapter, a change of use of the~~]
5 land subject to this section for appraisal under this subchapter is
6 considered to have ended [~~occurred~~] on the day the period
7 prescribed by Subsection (c) begins if the owner has not fully
8 complied with the terms of the agreement described by Subsection
9 (b) on the date the agreement ends.

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

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

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

27 SECTION 2.06. Section 31.01(c), Tax Code, is amended to

1 read as follows:

2 (c) The tax bill or a separate statement accompanying the
3 tax bill shall:

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

5 (2) state the appraised value, assessed value, and
6 taxable value of the property;

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

12 (4) state the assessment ratio for the taxing unit;

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

16 (6) state the total tax rate for the taxing unit;

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

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

1 the taxing 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 taxing unit;

7 (C) the amount of taxes imposed on the property
8 by the taxing 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 taxing unit compared to the amount imposed
12 for the 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 taxing unit; and

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

22 SECTION 2.07. Section [41.41\(a\)](#), Tax Code, is amended to
23 read as follows:

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25 appraisal review board the following actions:

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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;

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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;

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

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

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23 read as follows:

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25 (c-2), to be entitled to a hearing and determination of a protest,
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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;

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

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

17 (5) in the case of a protest of the modification or
18 denial of an application for an exemption under Section 11.35, or
19 the determination of an appropriate damage assessment rating for an
20 item of qualified property under that section, not later than the
21 30th day after the date the property owner receives the notice
22 required under Section 11.45(e).

23 SECTION 2.09. Section 60.022, Agriculture Code, is amended
24 to read as follows:

25 Sec. 60.022. CONTENTS OF PETITION. A petition filed under
26 Section 60.021 must:

27 (1) describe the boundaries of the proposed district

1 by metes and bounds or by lot and block number, if there is a
2 recorded map or plat and survey of the area;

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

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

9 (4) include the names of at least five persons who are
10 willing and qualified to serve as temporary directors of the
11 district;

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

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

16 (7) state the general nature of the proposed
17 development and the cost of the development as then estimated by the
18 petitioners;

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

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

26 [~~A~~] annual payments to each entity that are
27 equal to the amount of taxes imposed on the real property by the

1 entity in the year of the district's creation; and

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

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

10 SECTION 2.10. Section 21.0421(e), Property Code, is amended
11 to read as follows:

12 (e) This section does not:

13 (1) authorize groundwater rights appraised separately
14 from the real property under this section to be appraised
15 separately from real property for property tax appraisal purposes;
16 or

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

20 SECTION 2.11. The following provisions of the Tax Code are
21 repealed:

22 (1) Section 23.55; and

23 (2) Sections 23.58(c) and (d).

24 SECTION 2.12. The repeal of Section 23.55, Tax Code, by this
25 Act does not affect an additional tax imposed as a result of a
26 change of use of land appraised under Subchapter D, Chapter 23, Tax
27 Code, that occurred before the effective date of this Act, and the

1 former law is continued in effect for purposes of that tax.

2 ARTICLE 3. EFFECTIVE DATE

3 SECTION 3.01. (a) Except as otherwise provided by this
4 section, this Act takes effect January 1, 2022.

5 (b) Article 1 of this Act takes effect only if the
6 constitutional amendment proposed by the 87th Legislature, Regular
7 Session, 2021, repealing the provision that subjects land
8 designated for agricultural use to an additional tax when the land
9 is diverted to a purpose other than agricultural use or sold is
10 approved by the voters. If that amendment is not approved by the
11 voters, Article 1 of this Act has no effect.

12 (c) Article 2 of this Act takes effect only if Article 1 of
13 this Act does not take effect. If Article 1 of this Act takes
14 effect, Article 2 of this Act has no effect.