

By: Rogers, Shine, King of Hemphill

H.B. No. 4004

A BILL TO BE ENTITLED

1 AN ACT
2 relating to a study by Texas A&M University of the appraisal of
3 agricultural land for ad valorem tax purposes.

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

5 SECTION 1. STUDY ON TAX APPRAISAL OF AGRICULTURAL LAND. (a)
6 The president of Texas A&M University shall designate a department
7 or entity at the university to conduct a study of the methods and
8 procedures for appraising agricultural land for ad valorem tax
9 purposes.

10 (b) The study must consider the feasibility and effect of:

11 (1) authorizing the comptroller of public accounts to
12 accept actual agricultural production data, including data
13 regarding expenses and income from production of crops and
14 livestock, from an appraisal district in developing rules for the
15 appraisal of agricultural land for ad valorem tax purposes;

16 (2) determining net to land value by averaging the
17 annual net income that a class of land would likely generate over a
18 10-year period;

19 (3) requiring all of the production expenses incurred
20 by a property owner and a tenant, regardless of whether the expenses
21 are shared expenses between the property owner and the tenant, to be
22 considered when appraising agricultural land;

23 (4) requiring a person appraising agricultural land
24 for taxation to have knowledge and experience in agricultural land

1 valuation; and

2 (5) requiring each appraisal review board to have
3 equal membership from rural and non-rural areas.

4 SECTION 2. REPORT. Not later than January 1, 2023, Texas
5 A&M University shall submit a report on the results of the study to
6 the lieutenant governor, the speaker of the house of
7 representatives, and each standing committee of the legislature
8 with jurisdiction over agricultural matters.

9 SECTION 3. EXPIRATION. This Act expires September 1, 2023.

10 SECTION 4. EFFECTIVE DATE. This Act takes effect
11 immediately if it receives a vote of two-thirds of all the members
12 elected to each house, as provided by Section 39, Article III, Texas
13 Constitution. If this Act does not receive the vote necessary for
14 immediate effect, this Act takes effect September 1, 2021.