

BILL ANALYSIS

H.B. 2354
By: Hefner
Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Many properties around the state qualify for and receive special appraisal as qualified open-space land, which decreases the overall property tax burden and serves as an incentive for Texans to operate their land for certain qualifying agricultural uses. Under current law, when a property owner who receives this special appraisal dies, it is considered a change in ownership if the property is then inherited by the surviving spouse or a surviving child. This change in ownership triggers a requirement for the bereaved relatives to reapply for open-space valuation before May 1st of the year. If the application is not timely received, the open-space appraisal is lost, and the bereaved family members will incur a significantly larger tax bill on the otherwise qualifying land for the year. H.B. 2354 seeks to help keep land in the hands of families who use the land for qualifying agricultural purposes by establishing that ownership of the land is not considered to have changed if it is transferred to a deceased's owner's surviving spouse or a surviving child. In practice, this means a new application will not be required and, if the land otherwise qualifies for appraisal as open-space land, the family will be able to maintain the special appraisal on the property after the passing of the owner.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 2354 amends the Tax Code to establish that, for purposes of the provision making land receiving special appraisal as qualified open-space land continuously eligible for that special appraisal without reapplication so long as ownership of the land does not change, the ownership of the land is not considered to have changed if ownership is transferred from the former owner to their surviving spouse or a surviving child.

EFFECTIVE DATE

January 1, 2024.