

BILL ANALYSIS

Senate Research Center
88R29141 CJC-D

C.S.H.B. 2354
By: Hefner (Springer)
Local Government
5/10/2023
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Under current law, when a property owner who received an open-space 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 would 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.

(Original Author's/Sponsor's Statement of Intent)

C.S.H.B. 2354 amends current law relating to the eligibility of land to continue to be appraised for ad valorem tax purposes as qualified open-space land following a transfer to a surviving spouse.

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 23.54, Tax Code, by adding Subsection (e-1) to provide that ownership of the land, for purposes of Subsection (e) (relating to providing that agricultural land, if a person fails to file a valid application for appraisal on time, is ineligible for appraisal for that year), is not considered to have changed if ownership of the land is transferred from the former owner to the surviving spouse of the former owner.

SECTION 2. Effective date: January 1, 2024.