

BILL ANALYSIS

H.B. 2398
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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 lowers a property owner's tax liability. This provides a tax incentive for Texans to operate their land for a qualifying agricultural use. Under current law, when a property owner who receives open-space appraisal dies, it is considered a change in ownership if the property is then inherited by the surviving spouse or the owner's children. The change in ownership triggers a requirement for the bereaved relatives to reapply for open-space appraisal by the May 1st deadline. If the application is not timely received, the tax break is lost, and the bereaved family members will incur a significantly larger tax bill on the otherwise qualifying land for the year. H.B. 2398 presents a solution to this problem by providing for the acceptance of a late application for open-space appraisal filed by families who own agricultural land that they inherited following the death of the previous 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. 2398 amends the Tax Code to require the chief appraiser of an appraisal district to accept and approve or deny an application for special appraisal as qualified open-space land after the deadline for filing the application has passed if the following conditions are satisfied:

- the land that is the subject of the application was appraised as qualified open-space land in the preceding tax year;
- the former owner of the land died during the preceding tax year; and
- the application is filed not later than the delinquency date for the taxes on the land for the year for which the application is filed by one of the following:
 - the surviving spouse or a surviving child of the former owner;
 - the executor or administrator of the former owner's estate; or
 - the trustee of a trust created by the former owner or the surviving spouse or a surviving child of the trustor of such a trust who is acting as a beneficiary under the trust.

The bill exempts such an application that gets approved by the chief appraiser from the late application penalty. These provisions apply beginning with the 2023 tax year.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2023.