

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

March 28, 2023

TO: Honorable Paul Bettencourt, Chair, Senate Committee on Local Government

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: SB1191 by Zaffirini (relating to late applications for the appraisal of land for ad valorem tax purposes as qualified open-space land following the death of the owner of the land.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would amend Chapter 23 of the Tax Code, relating to Appraisal Methods and Procedures. The bill would provide that the chief appraiser accept and approve or deny an application after the deadline for filing has passed if the land was appraised as open-space land in the preceding year; previous owner of the land died during the preceding year; and the application is filed prior to the taxes becoming delinquent by the surviving spouse or surviving child, executor of the related estate, or a fiduciary acting on their behalf. The bill would exempt such a late application from the penalty for a late filed application.

Qualified open-space land is appraised according to its productivity value, which results in an appraised value that is significantly less than the market value. Under current law, a change in ownership requires a new owner to file an application to keep the special appraisal as long as a change in use of the land has not occurred and continues to be eligible. The bill would require a chief appraiser to accept a late application without penalty from a surviving spouse or surviving child, executor of the estate, or a fiduciary acting on their behalf. Accepting a late application without penalty would be a cost to local taxing units; however, it is not expected to be significant.

Local Government Impact

Accepting a late application without penalty would be a cost to local taxing units; however, it is not expected to be significant.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JMc, AF, BRI, SD, KK