

SENATE AMENDMENTS

2nd Printing

By: Hefner

H.B. No. 2354

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the eligibility of land to continue to be appraised for
3 ad valorem tax purposes as qualified open-space land following a
4 transfer to a surviving spouse or surviving child.

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

6 SECTION 1. Section 23.54, Tax Code, is amended by adding
7 Subsection (e-1) to read as follows:

8 (e-1) For purposes of Subsection (e), ownership of the land
9 is not considered to have changed if ownership of the land is
10 transferred from the former owner to the surviving spouse or a
11 surviving child of the former owner.

12 SECTION 2. This Act takes effect January 1, 2024.

ADOPTED

MAY 15 2023

Lacey Spaw
Secretary of the Senate

By: 

Substitute the following for H.B. No. 2354:

By: 

H.B. No. 2354

C.S. H.B. No. 2354

A BILL TO BE ENTITLED

AN ACT

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.

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

SECTION 1. Section 23.54, Tax Code, is amended by adding
Subsection (e-1) to read as follows:

(e-1) For purposes of Subsection (e), ownership of the land
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. This Act takes effect January 1, 2024.

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

May 15, 2023

TO: Honorable Dade Phelan, Speaker of the House, House of Representatives

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB2354 by Hefner (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.), **As Passed 2nd House**

<p>No significant fiscal implication to the State is anticipated.</p>
--

The bill would amend Chapter 23 of the Tax Code, relating to Appraisal Methods and Procedures, to state the eligibility of land to be appraised for ad valorem tax purposes as qualified open-space land transfers from the former owner to a surviving spouse.

Qualified open space land is appraised according to a statutory formula that 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 allow a transfer from a former owner to a surviving spouse without having to reapply for the special appraisal. To the extent that surviving spouses are not reapplying to keep special appraisal for qualified land, there could be a cost to units of local government and the state through operations of the school funding formula; however, it is not expected to be significant.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

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

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

May 10, 2023

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB2354 by Hefner (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.), **Committee Report 2nd 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, to state the eligibility of land to be appraised for ad valorem tax purposes as qualified open-space land transfers from the former owner to a surviving spouse.

Qualified open space land is appraised according to a statutory formula that 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 allow a transfer from a former owner to a surviving spouse without having to reapply for the special appraisal. To the extent that surviving spouses are not reapplying to keep special appraisal for qualified land, there could be a cost to units of local government and the state through operations of the school funding formula; however, it is not expected to be significant.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

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

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

May 5, 2023

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB2354 by Hefner (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 or surviving child.),
As Engrossed

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, to state the eligibility of land to be appraised for ad valorem tax purposes as qualified open-space land transfers from the former owner to a surviving spouse or surviving child.

Qualified open space land is appraised according to a statutory formula that 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 allow a transfer from a former owner to a surviving spouse or surviving child without having to reapply for the special appraisal. To the extent that surviving spouses or children are not reapplying to keep special appraisal for qualified land, there could be a cost to units of local government and the state through operations of the school funding formula; however, it is not expected to be significant.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

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

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

March 19, 2023

TO: Honorable Morgan Meyer, Chair, House Committee on Ways & Means

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB2354 by Hefner (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 or surviving child.),
As Introduced

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, to state the eligibility of land to be appraised for ad valorem tax purposes as qualified open-space land transfers from the former owner to a surviving spouse or surviving child.

Qualified open space land is appraised according to a statutory formula that 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 allow a transfer from a former owner to a surviving spouse or surviving child without having to reapply for the special appraisal. To the extent that surviving spouses or children are not reapplying to keep special appraisal for qualified land, there could be a cost to units of local government and the state through operations of the school funding formula; however, it is not expected to be significant.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JMc, KK, SD, BRI

LEGISLATIVE BUDGET BOARD

Austin, Texas

TAX/FEE EQUITY NOTE

88TH LEGISLATIVE REGULAR SESSION

March 19, 2023

TO: Honorable Morgan Meyer, Chair, House Committee on Ways & Means

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB2354 by Hefner (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 or surviving child.),
As Introduced

No statistically significant impact on the overall distribution of a state tax or fee burden among individuals and businesses is anticipated from the provisions of this bill.

Source

Agencies:

LBB Staff: JMc, KK