

By: Hopper

H.B. No. 289

A BILL TO BE ENTITLED

AN ACT

relating to the eligibility of certain land for appraisal for ad valorem tax purposes on the basis of its productivity value and the consequences for those purposes of a change of use or sale of the land.

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

ARTICLE 1. REPEAL OF CERTAIN ELIGIBILITY AND ADDITIONAL TAX PROVISIONS IN SUBCHAPTERS C AND D, CHAPTER 23, TAX CODE

SECTION 1.01. Section 1.07(d), Tax Code, as amended by H.B. 1533, Acts of the 89th Legislature, Regular Session, 2025, and effective September 1, 2025, is amended to read as follows:

(d) A notice required by Section 11.43(q), 11.45(d), 23.44(d), [~~23.46(c) or (f)~~], 23.54(e), 23.541(c), [~~23.55(e)~~], 23.551(a), 23.57(d), 23.76(e), 23.79(d), or 23.85(d) must be sent by certified mail. A notice required by Section 25.23(c) pertaining to property that was not on the appraisal roll in a prior year because it was omitted from the roll must be sent by certified mail.

SECTION 1.02. Section 23.20(g), Tax Code, is amended to read as follows:

(g) A waiver of a special appraisal of property under Subchapter [~~C, D~~] E, F, or G [~~of this chapter~~] does not constitute a change of use of the property or diversion of the property to another use for purposes of the imposition of additional taxes

1 under any of those subchapters.

2 SECTION 1.03. Section 23.42(a), Tax Code, is amended to
3 read as follows:

4 (a) An individual is entitled to have land the individual
5 ~~[he]~~ owns designated for agricultural use if, on January 1:

6 (1) ~~[the land has been devoted exclusively to or~~
7 ~~developed continuously for agriculture for the three years~~
8 ~~preceding the current year,~~

9 ~~[(2)]~~ the individual is using and intends to use the
10 land for agriculture as an occupation or a business venture for
11 profit during the current year; and

12 (2) ~~[(3)]~~ agriculture is the individual's primary
13 occupation and primary source of income.

14 SECTION 1.04. Sections 23.51(1) and (7), Tax Code, are
15 amended to read as follows:

16 (1) "Qualified open-space land" means land that is
17 ~~[currently]~~ devoted principally to agricultural use to the degree
18 of intensity generally accepted in the area ~~[and that has been~~
19 ~~devoted principally to agricultural use or to production of timber~~
20 ~~or forest products for five of the preceding seven years]~~ or land
21 that is used principally as an ecological laboratory by a public or
22 private college or university ~~[and that has been used principally~~
23 ~~in that manner by a college or university for five of the preceding~~
24 ~~seven years]~~. Qualified open-space land includes all appurtenances
25 to the land. For the purposes of this subdivision, appurtenances to
26 the land means private roads, dams, reservoirs, water wells,
27 canals, ditches, terraces, and other reshapings of the soil,

fences, and riparian water rights. ~~[Notwithstanding the other provisions of this subdivision, land that is currently devoted principally to wildlife management as defined by Subdivision (7)(B) or (C) to the degree of intensity generally accepted in the area qualifies for appraisal as qualified open-space land under this subchapter regardless of the manner in which the land was used in any preceding year.]~~

(7) "Wildlife management" means:

(A) actively using land in a manner that meets the standards developed under Section 23.521 ~~[that at the time the wildlife-management use began was appraised as qualified open-space land under this subchapter or as qualified timber land under Subchapter E]~~ in at least three of the following ways to propagate a sustaining breeding, migrating, or wintering population of indigenous wild animals for human use, including food, medicine, or recreation:

- (i) habitat control;
- (ii) erosion control;
- (iii) predator control;
- (iv) providing supplemental supplies of water;
- (v) providing supplemental supplies of food;
- (vi) providing shelters; and
- (vii) making of census counts to determine population;

(B) actively using land to protect federally

1 listed endangered species under a federal permit if the land is:

2 (i) included in a habitat preserve and is
3 subject to a conservation easement created under Chapter 183,
4 Natural Resources Code; or

5 (ii) part of a conservation development
6 under a federally approved habitat conservation plan that restricts
7 the use of the land to protect federally listed endangered species;
8 or

9 (C) actively using land for a conservation or
10 restoration project to provide compensation for natural resource
11 damages pursuant to the Comprehensive Environmental Response,
12 Compensation, and Liability Act of 1980 (42 U.S.C. Section 9601 et
13 seq.), the Oil Pollution Act of 1990 (33 U.S.C. Section 2701 et
14 seq.), the Federal Water Pollution Control Act (33 U.S.C. Section
15 1251 et seq.), or Chapter 40, Natural Resources Code.

16 SECTION 1.05. Sections 23.52(e) and (g), Tax Code, are
17 amended to read as follows:

18 (e) The ~~[For the purposes of Section 23.55 of this code,~~
19 ~~the]~~ chief appraiser ~~[also]~~ shall determine the market value of
20 qualified open-space land and shall record both the market value
21 and the appraised value in the appraisal records.

22 (g) The category of land that qualifies under Section
23 23.51(7) is the native pasture category ~~[of the land under this~~
24 ~~subchapter or Subchapter E, as applicable, before the~~
25 ~~wildlife-management use began]~~.

26 SECTION 1.06. Section 23.524(e), Tax Code, is amended to
27 read as follows:

1 (e) Notwithstanding Subsection (b) or (c), the eligibility
2 of [~~For the purposes of this subchapter, a change of use of the~~]
3 land subject to this section for appraisal under this subchapter is
4 considered to have ended [~~occurred~~] on the day the period
5 prescribed by Subsection (c) begins if the owner has not fully
6 complied with the terms of the agreement described by Subsection
7 (b) on the date the agreement ends.

8 SECTION 1.07. Sections 23.551(a) and (d), Tax Code, are
9 amended to read as follows:

10 (a) If land appraised as provided by this subchapter is
11 owned by an individual 65 years of age or older, before making a
12 determination that [~~a change in use of~~] the land is no longer
13 eligible for appraisal under this subchapter [~~has occurred~~], the
14 chief appraiser shall deliver a written notice to the owner stating
15 that the chief appraiser believes [~~a change in use of~~] the land may
16 no longer be eligible for appraisal under this subchapter [~~have~~
17 ~~occurred~~].

18 (d) If the chief appraiser does not receive a response on or
19 before the 60th day after the date the notice is mailed, the chief
20 appraiser must make a reasonable effort to locate the owner and
21 determine whether the land remains eligible to be appraised as
22 provided by this subchapter before determining that [~~a change in~~
23 ~~use of~~] the land is no longer eligible for appraisal under this
24 subchapter [~~has occurred~~].

25 SECTION 1.08. Section 31.01(c), Tax Code, is amended to
26 read as follows:

27 (c) The tax bill or a separate statement accompanying the

1 tax bill shall:

2 (1) identify the property subject to the tax;

3 (2) state the appraised value, assessed value, and
4 taxable value of the property;

5 (3) if the property is land appraised as provided by
6 Subchapter [~~C, D, T~~] E[~~T~~] or H, Chapter 23, state the market value and
7 the taxable value for purposes of deferred or additional taxation
8 as provided by Section [~~23.46, 23.55, T~~] 23.76[~~T~~] or 23.9807, as
9 applicable;

10 (4) state the assessment ratio for the taxing unit;

11 (5) state the type and amount of any partial exemption
12 applicable to the property, indicating whether it applies to
13 appraised or assessed value;

14 (6) state the total tax rate for the taxing unit;

15 (7) state the amount of tax due, the due date, and the
16 delinquency date;

17 (8) explain the payment option and discounts provided
18 by Sections 31.03 and 31.05, if available to the taxing unit's
19 taxpayers, and state the date on which each of the discount periods
20 provided by Section 31.05 concludes, if the discounts are
21 available;

22 (9) state the rates of penalty and interest imposed
23 for delinquent payment of the tax;

24 (10) include the name and telephone number of the
25 assessor for the taxing unit and, if different, of the collector for
26 the taxing unit;

27 (11) for real property, state for the current tax year

and each of the preceding five tax years:

(A) the appraised value and taxable value of the property;

(B) the total tax rate for the taxing unit;

(C) the amount of taxes imposed on the property by the taxing unit; and

(D) the difference, expressed as a percent increase or decrease, as applicable, in the amount of taxes imposed on the property by the taxing unit compared to the amount imposed for the preceding tax year; and

(12) for real property, state the differences, expressed as a percent increase or decrease, as applicable, in the following for the current tax year as compared to the fifth tax year before that tax year:

(A) the appraised value and taxable value of the property;

(B) the total tax rate for the taxing unit; and

(C) the amount of taxes imposed on the property by the taxing unit.

SECTION 1.09. Section 41.41(a), Tax Code, as amended by H.B. 4809, Acts of the 89th Legislature, Regular Session, 2025, and effective January 1, 2027, is amended to read as follows:

(a) A property owner is entitled to protest before the appraisal review board the following actions:

(1) determination of the appraised value of the owner's property or, in the case of land appraised as provided by Subchapter C, D, E, or H, Chapter 23, determination of its appraised

1 or market value;

2 (2) unequal appraisal of the owner's property;

3 (3) inclusion of the owner's property on the appraisal
4 records;

5 (4) denial to the property owner in whole or in part of
6 a partial exemption;

7 (5) determination that the owner's land does not
8 qualify for appraisal as provided by Subchapter C, D, E, or H,
9 Chapter 23;

10 (6) identification of the taxing units in which the
11 owner's property is taxable in the case of the appraisal district's
12 appraisal roll;

13 (7) determination that the property owner is the owner
14 of property;

15 (8) a determination that a change in use of land
16 appraised under Subchapter [~~C-D~~] E[~~T~~] or H, Chapter 23, has
17 occurred;

18 (9) a determination of:

19 (A) the appraised value of a structure or
20 archeological site that qualifies for an exemption under Section
21 11.24;

22 (B) the appraised value of the land necessary to
23 access the structure or site; and

24 (C) the allocation of the appraised value between
25 the structure or site and the land; or

26 (10) any other action of the chief appraiser,
27 appraisal district, or appraisal review board that applies to and

adversely affects the property owner.

SECTION 1.10. Section 41.44(a), Tax Code, is amended to read as follows:

(a) Except as provided by Subsections (b), (c), (c-1), and (c-2), to be entitled to a hearing and determination of a protest, the property owner initiating the protest must file a written notice of the protest with the appraisal review board having authority to hear the matter protested:

(1) not later than May 15 or the 30th day after the date that notice to the property owner was delivered to the property owner as provided by Section 25.19, whichever is later;

(2) in the case of a protest of a change in the appraisal records ordered as provided by Subchapter A of this chapter or by Chapter 25, not later than the 30th day after the date notice of the change is delivered to the property owner;

(3) in the case of a determination that a change in the use of land appraised under Subchapter ~~[C-D]~~ E~~[7]~~ or H, Chapter 23, has occurred, not later than the 30th day after the date the notice of the determination is delivered to the property owner;

(4) in the case of a determination of eligibility for a refund under Section 23.1243, not later than the 30th day after the date the notice of the determination is delivered to the property owner; or

(5) in the case of a protest of the modification or denial of an application for an exemption under Section 11.35, or the determination of an appropriate damage assessment rating for an item of qualified property under that section, not later than the

30th day after the date the property owner receives the notice required under Section 11.45(e).

SECTION 1.11. Section 60.022, Agriculture Code, is amended to read as follows:

Sec. 60.022. CONTENTS OF PETITION. A petition filed under Section 60.021 must:

(1) describe the boundaries of the proposed district by metes and bounds or by lot and block number, if there is a recorded map or plat and survey of the area;

(2) include a name for the proposed district, which must include the term "Agricultural Development District";

(3) be signed by the landowners of any land to be included within the proposed district and provide an acknowledgment consistent with Section 121.001, Civil Practice and Remedies Code, that the landowners desire the land to be included in the district;

(4) include the names of at least five persons who are willing and qualified to serve as temporary directors of the district;

(5) name each county in which any agricultural facilities to be owned by the district are to be located;

(6) name each municipality in which any part of the district is to be located;

(7) state the general nature of the proposed development and the cost of the development as then estimated by the petitioners;

(8) state the necessity and feasibility of the proposed district and whether the district will serve the public

purpose of furthering agricultural interests;

(9) include a pledge that the district will make payments in lieu of taxes to any school district and county in which any real property to be owned by the district is located, in ~~as follows:~~

~~[(A)]~~ annual payments to each entity that are equal to the amount of taxes imposed on the real property by the entity in the year of the district's creation; and

~~[(B) a payment to each entity equal to the amount that would be due under Section 23.55, Tax Code, on the district's date of creation; and]~~

(10) include a pledge that, if the district employs more than 50 persons, the district will make payments in lieu of taxes to any school district, in addition to those made under Subdivision (9), in an amount negotiated between the district and the school district.

SECTION 1.12. Section 21.0421(e), Property Code, is amended to read as follows:

(e) This section does not~~+~~

~~[(1)]~~ authorize groundwater rights appraised separately from the real property under this section to be appraised separately from real property for property tax appraisal purposes~~[-or~~

~~[(2) subject real property condemned for the purpose described by Subsection (a) to an additional tax as provided by Section 23.46 or 23.55, Tax Code].~~

SECTION 1.13. Subsection (a), Section 23.46, Tax Code, is

transferred to Section 23.41, Tax Code, and redesignated as Subsection (c), Section 23.41, Tax Code, to read as follows:

(c) ~~[(a)]~~ When appraising land designated for agricultural use, the chief appraiser also shall appraise the land at its market value and shall record both the market value and the value based on its capacity to produce agricultural products in the appraisal records.

SECTION 1.14. The following provisions of the Tax Code are repealed:

- (1) the heading to Section 23.46;
- (2) Sections 23.46(b), (c), (d), (e), (e-1), (f), and (g);
- (3) Sections 23.47(c) and (d);
- (4) Section 23.55; and
- (5) Sections 23.58(c) and (d).

SECTION 1.15. (a) Sections 23.42(a), 23.51(1) and (7), and 23.52(g), Tax Code, as amended by this Act, apply only to the appraisal of land for ad valorem tax purposes for a tax year that begins on or after the effective date of this Act.

(b) The repeal of Sections 23.46 and 23.55, Tax Code, by this Act does not affect an additional tax imposed as a result of a change of use or sale of land appraised under Subchapter C or D, Chapter 23, Tax Code, that occurred before the effective date of this Act, and the former law is continued in effect for purposes of that tax.

ARTICLE 2. REPEAL OF CERTAIN ELIGIBILITY AND ADDITIONAL TAX

PROVISIONS IN SUBCHAPTER D, CHAPTER 23, TAX CODE

SECTION 2.01. Section 1.07(d), Tax Code, as amended by H.B. 1533, Acts of the 89th Legislature, Regular Session, 2025, and effective September 1, 2025, is amended to read as follows:

(d) A notice required by Section 11.43(q), 11.45(d), 23.44(d), 23.46(c) or (f), 23.54(e), 23.541(c), ~~[23.55(e),]~~ 23.551(a), 23.57(d), 23.76(e), 23.79(d), or 23.85(d) must be sent by certified mail. A notice required by Section 25.23(c) pertaining to property that was not on the appraisal roll in a prior year because it was omitted from the roll must be sent by certified mail.

SECTION 2.02. Section 23.20(g), Tax Code, is amended to read as follows:

(g) A waiver of a special appraisal of property under Subchapter C, ~~[D,]~~ E, F, or G ~~[of this chapter]~~ does not constitute a change of use of the property or diversion of the property to another use for purposes of the imposition of additional taxes under any of those subchapters.

SECTION 2.03. Sections 23.51(1) and (7), Tax Code, are amended to read as follows:

(1) "Qualified open-space land" means land that is ~~[currently]~~ devoted principally to agricultural use to the degree of intensity generally accepted in the area ~~[and that has been devoted principally to agricultural use or to production of timber or forest products for five of the preceding seven years]~~ or land that is used principally as an ecological laboratory by a public or

1 private college or university [~~and that has been used principally~~
 2 ~~in that manner by a college or university for five of the preceding~~
 3 ~~seven years~~]. Qualified open-space land includes all appurtenances
 4 to the land. For the purposes of this subdivision, appurtenances to
 5 the land means private roads, dams, reservoirs, water wells,
 6 canals, ditches, terraces, and other reshapings of the soil,
 7 fences, and riparian water rights. [~~Notwithstanding the other~~
 8 ~~provisions of this subdivision, land that is currently devoted~~
 9 ~~principally to wildlife management as defined by Subdivision (7)(B)~~
 10 ~~or (C) to the degree of intensity generally accepted in the area~~
 11 ~~qualifies for appraisal as qualified open-space land under this~~
 12 ~~subchapter regardless of the manner in which the land was used in~~
 13 ~~any preceding year.~~]

14 (7) "Wildlife management" means:

15 (A) actively using land in a manner that meets
 16 the standards developed under Section 23.521 [~~that at the time the~~
 17 ~~wildlife management use began was appraised as qualified~~
 18 ~~open-space land under this subchapter or as qualified timber land~~
 19 ~~under Subchapter E~~] in at least three of the following ways to
 20 propagate a sustaining breeding, migrating, or wintering
 21 population of indigenous wild animals for human use, including
 22 food, medicine, or recreation:

- 23 (i) habitat control;
- 24 (ii) erosion control;
- 25 (iii) predator control;
- 26 (iv) providing supplemental supplies of
- 27 water;

(v) providing supplemental supplies of food;

(vi) providing shelters; and

(vii) making of census counts to determine population;

(B) actively using land to protect federally listed endangered species under a federal permit if the land is:

(i) included in a habitat preserve and is subject to a conservation easement created under Chapter 183, Natural Resources Code; or

(ii) part of a conservation development under a federally approved habitat conservation plan that restricts the use of the land to protect federally listed endangered species; or

(C) actively using land for a conservation or restoration project to provide compensation for natural resource damages pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. Section 9601 et seq.), the Oil Pollution Act of 1990 (33 U.S.C. Section 2701 et seq.), the Federal Water Pollution Control Act (33 U.S.C. Section 1251 et seq.), or Chapter 40, Natural Resources Code.

SECTION 2.04. Sections 23.52(e) and (g), Tax Code, are amended to read as follows:

(e) The ~~[For the purposes of Section 23.55 of this code, the]~~ chief appraiser ~~[also]~~ shall determine the market value of qualified open-space land and shall record both the market value and the appraised value in the appraisal records.

(g) The category of land that qualifies under Section 23.51(7) is the native pasture category ~~[of the land under this subchapter or Subchapter E, as applicable, before the wildlife-management use began]~~.

SECTION 2.05. Section 23.524(e), Tax Code, is amended to read as follows:

(e) Notwithstanding Subsection (b) or (c), the eligibility of ~~[For the purposes of this subchapter, a change of use of the]~~ land subject to this section for appraisal under this subchapter is considered to have ended ~~[occurred]~~ on the day the period prescribed by Subsection (c) begins if the owner has not fully complied with the terms of the agreement described by Subsection (b) on the date the agreement ends.

SECTION 2.06. Sections 23.551(a) and (d), Tax Code, are amended to read as follows:

(a) If land appraised as provided by this subchapter is owned by an individual 65 years of age or older, before making a determination that ~~[a change in use of]~~ the land is no longer eligible for appraisal under this subchapter ~~[has occurred]~~, the chief appraiser shall deliver a written notice to the owner stating that the chief appraiser believes ~~[a change in use of]~~ the land may no longer be eligible for appraisal under this subchapter ~~[have occurred]~~.

(d) If the chief appraiser does not receive a response on or before the 60th day after the date the notice is mailed, the chief appraiser must make a reasonable effort to locate the owner and determine whether the land remains eligible to be appraised as

provided by this subchapter before determining that ~~[a change in use of]~~ the land is no longer eligible for appraisal under this subchapter ~~[has occurred]~~.

SECTION 2.07. Sections 31.01(c) and (c-1), Tax Code, are amended to read as follows:

(c) The tax bill or a separate statement accompanying the tax bill shall:

(1) identify the property subject to the tax;

(2) state the appraised value, assessed value, and taxable value of the property;

(3) if the property is land appraised as provided by Subchapter C, ~~[D]~~ E, or H, Chapter 23, state the market value and the taxable value for purposes of deferred or additional taxation as provided by Section 23.46, ~~[23.55]~~ 23.76, or 23.9807, as applicable;

(4) if the property is land appraised as provided by Subchapter D, Chapter 23, state the market value of the land;

(5) state the assessment ratio for the taxing unit;

(6) ~~[(5)]~~ state the type and amount of any partial exemption applicable to the property, indicating whether it applies to appraised or assessed value;

(7) ~~[(6)]~~ state the total tax rate for the taxing unit;

(8) ~~[(7)]~~ state the amount of tax due, the due date, and the delinquency date;

(9) ~~[(8)]~~ explain the payment option and discounts provided by Sections 31.03 and 31.05, if available to the taxing

unit's taxpayers, and state the date on which each of the discount periods provided by Section 31.05 concludes, if the discounts are available;

(10) [~~(9)~~] state the rates of penalty and interest imposed for delinquent payment of the tax;

(11) [~~(10)~~] include the name and telephone number of the assessor for the taxing unit and, if different, of the collector for the taxing unit;

(12) [~~(11)~~] for real property, state for the current tax year and each of the preceding five tax years:

(A) the appraised value and taxable value of the property;

(B) the total tax rate for the taxing unit;

(C) the amount of taxes imposed on the property by the taxing unit; and

(D) the difference, expressed as a percent increase or decrease, as applicable, in the amount of taxes imposed on the property by the taxing unit compared to the amount imposed for the preceding tax year; and

(13) [~~(12)~~] for real property, state the differences, expressed as a percent increase or decrease, as applicable, in the following for the current tax year as compared to the fifth tax year before that tax year:

(A) the appraised value and taxable value of the property;

(B) the total tax rate for the taxing unit; and

(C) the amount of taxes imposed on the property

1 by the taxing unit.

2 (c-1) If for any of the preceding six tax years any
3 information required by Subsection (c)(12) [~~(c)(11)~~] or (13) [~~(12)~~]
4 to be included in a tax bill or separate statement is unavailable,
5 the tax bill or statement must state that the information is not
6 available for that year.

7 SECTION 2.08. Section 41.41(a), Tax Code, as amended by
8 H.B. 4809, Acts of the 89th Legislature, Regular Session, 2025, and
9 effective January 1, 2027, is amended to read as follows:

10 (a) A property owner is entitled to protest before the
11 appraisal review board the following actions:

12 (1) determination of the appraised value of the
13 owner's property or, in the case of land appraised as provided by
14 Subchapter C, D, E, or H, Chapter 23, determination of its appraised
15 or market value;

16 (2) unequal appraisal of the owner's property;

17 (3) inclusion of the owner's property on the appraisal
18 records;

19 (4) denial to the property owner in whole or in part of
20 a partial exemption;

21 (5) determination that the owner's land does not
22 qualify for appraisal as provided by Subchapter C, D, E, or H,
23 Chapter 23;

24 (6) identification of the taxing units in which the
25 owner's property is taxable in the case of the appraisal district's
26 appraisal roll;

27 (7) determination that the property owner is the owner

1 of property;

2 (8) a determination that a change in use of land
3 appraised under Subchapter C, [~~D~~] E, or H, Chapter 23, has
4 occurred;

5 (9) a determination of:

6 (A) the appraised value of a structure or
7 archeological site that qualifies for an exemption under Section
8 11.24;

9 (B) the appraised value of the land necessary to
10 access the structure or site; and

11 (C) the allocation of the appraised value between
12 the structure or site and the land; or

13 (10) any other action of the chief appraiser,
14 appraisal district, or appraisal review board that applies to and
15 adversely affects the property owner.

16 SECTION 2.09. Section 41.44(a), Tax Code, is amended to
17 read as follows:

18 (a) Except as provided by Subsections (b), (c), (c-1), and
19 (c-2), to be entitled to a hearing and determination of a protest,
20 the property owner initiating the protest must file a written
21 notice of the protest with the appraisal review board having
22 authority to hear the matter protested:

23 (1) not later than May 15 or the 30th day after the
24 date that notice to the property owner was delivered to the property
25 owner as provided by Section 25.19, whichever is later;

26 (2) in the case of a protest of a change in the
27 appraisal records ordered as provided by Subchapter A of this

chapter or by Chapter 25, not later than the 30th day after the date notice of the change is delivered to the property owner;

(3) in the case of a determination that a change in the use of land appraised under Subchapter C, ~~D~~ E, or H, Chapter 23, has occurred, not later than the 30th day after the date the notice of the determination is delivered to the property owner;

(4) in the case of a determination of eligibility for a refund under Section 23.1243, not later than the 30th day after the date the notice of the determination is delivered to the property owner; or

(5) in the case of a protest of the modification or denial of an application for an exemption under Section 11.35, or the determination of an appropriate damage assessment rating for an item of qualified property under that section, not later than the 30th day after the date the property owner receives the notice required under Section 11.45(e).

SECTION 2.10. Section 60.022, Agriculture Code, is amended to read as follows:

Sec. 60.022. CONTENTS OF PETITION. A petition filed under Section 60.021 must:

(1) describe the boundaries of the proposed district by metes and bounds or by lot and block number, if there is a recorded map or plat and survey of the area;

(2) include a name for the proposed district, which must include the term "Agricultural Development District";

(3) be signed by the landowners of any land to be included within the proposed district and provide an acknowledgment

consistent with Section 121.001, Civil Practice and Remedies Code,
that the landowners desire the land to be included in the district;

(4) include the names of at least five persons who are
willing and qualified to serve as temporary directors of the
district;

(5) name each county in which any agricultural
facilities to be owned by the district are to be located;

(6) name each municipality in which any part of the
district is to be located;

(7) state the general nature of the proposed
development and the cost of the development as then estimated by the
petitioners;

(8) state the necessity and feasibility of the
proposed district and whether the district will serve the public
purpose of furthering agricultural interests;

(9) include a pledge that the district will make
payments in lieu of taxes to any school district and county in which
any real property to be owned by the district is located, in ~~as~~
~~follows:~~

~~[(A)]~~ annual payments to each entity that are
equal to the amount of taxes imposed on the real property by the
entity in the year of the district's creation; and

~~[(B)] a payment to each entity equal to the amount~~
~~that would be due under Section 23.55, Tax Code, on the district's~~
~~date of creation; and]~~

(10) include a pledge that, if the district employs
more than 50 persons, the district will make payments in lieu of

1 taxes to any school district, in addition to those made under
2 Subdivision (9), in an amount negotiated between the district and
3 the school district.

4 SECTION 2.11. Section 21.0421(e), Property Code, is amended
5 to read as follows:

6 (e) This section does not:

7 (1) authorize groundwater rights appraised separately
8 from the real property under this section to be appraised
9 separately from real property for property tax appraisal purposes;
10 or

11 (2) subject real property condemned for the purpose
12 described by Subsection (a) to an additional tax as provided by
13 Section 23.46 [~~or 23.55~~], Tax Code.

14 SECTION 2.12. The following provisions of the Tax Code are
15 repealed:

16 (1) Section 23.55; and

17 (2) Sections 23.58(c) and (d).

18 SECTION 2.13. (a) Sections 23.51(1) and (7) and 23.52(g),
19 Tax Code, as amended by this Act, apply only to the appraisal of
20 land for ad valorem tax purposes for a tax year that begins on or
21 after the effective date of this Act.

22 (b) The repeal of Section 23.55, Tax Code, by this Act does
23 not affect an additional tax imposed as a result of a change of use
24 of land appraised under Subchapter D, Chapter 23, Tax Code, that
25 occurred before the effective date of this Act, and the former law
26 is continued in effect for purposes of that tax.

ARTICLE 3. EFFECTIVE DATE

SECTION 3.01. (a) Except as otherwise provided by this section, this Act takes effect January 1, 2027.

(b) Article 1 of this Act takes effect only if the constitutional amendment proposed by the 89th Legislature, 2nd Called Session, 2025, repealing the provisions that require that land be devoted to agricultural use for a specified period to be eligible for appraisal for ad valorem tax purposes on the basis of its productivity value and that subject land appraised on that basis to an additional tax when the land is diverted to a purpose other than agricultural use or sold is approved by the voters. If that amendment is not approved by the voters, Article 1 of this Act has no effect.

(c) Article 2 of this Act takes effect only if Article 1 of this Act does not take effect. If Article 1 of this Act takes effect, Article 2 of this Act has no effect.