

## **BILL ANALYSIS**

Senate Research Center  
79R1193 JD-F

H.B. 312  
By: McReynolds (Staples)  
Finance  
5/11/2005  
Engrossed

### **AUTHOR'S/SPONSOR'S STATEMENT OF INTENT**

Under current law, Subchapter D (Appraisal of Agricultural Land), Chapter 23, Tax Code, provides the appraisal method of agriculture land. The subchapter imposes an additional tax on the land if the use of the land changes after the land has been appraised, unless the land is used as part of the owner's homestead, used by a religious organization, or used by a non-profit cemetery. Subchapter E (Appraisal of Timber Land), Chapter 23, Tax Code, imposes an identical tax for changes in the use of timber land. However, there are no like exceptions for the taxation of timber land.

H.B. 312 amends Subchapter E, Chapter 23, Tax Code, by adding the same exclusions contained in Subchapter D. This ensures all open-space land will be taxed in an equal and uniform manner.

### **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 23.76, Tax Code, by adding Subsections (h)-(k), as follows:

(h) Provides that the use of land does not change for purposes of Subsection (a) solely because the owner of the land claims it as part of the owner's residence homestead for purposes of Section 11.13 (Residence Homestead).

(i) Provides that the sanctions provided by Subsection (a) do not apply to land owned by an organization that qualifies as a religious organization under Section 11.20(c) if the organization converts the land to a use for which the land is eligible for an exemption under Section 11.20 (Religious Organizations) within five years.

(j) Provides that the sanctions provided by Subsection (a) do not apply to a change in the use of land if the land meets certain criteria.

(k) Defines "cemetery," "cemetery organization," and "cemetery purpose."

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: September 1, 2005.