

BILL ANALYSIS

Senate Research Center
85R2206 TJB-D

H.B. 777
By: Ashby et al. (Nichols)
Finance
4/26/2017
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Concerns have been raised that requirements for the appraisal of land as agricultural land do not take into account service by certain members of the United States (U.S.) armed services while they are deployed or stationed outside Texas. Property in Texas must have five of seven years in production of income to be eligible for an agriculture exemption. Because our military personnel are often deployed or service outside the state of Texas, they are often unable to file the appropriate documents or keep the property in production of income for the five of seven year rule.

H.B. 777 addresses these concerns by amending the Tax Code and adding an additional section to allow those individuals to maintain eligibility for agricultural land appraisal if the owner is deployed or stationed outside of this state as a member of the U.S. armed services. The intended use of land must be resumed to the manner and to the degree of intensity generally accepted in the area, not later than 180 days after the date the owner ceases to be deployed or stationed outside of the state.

H.B. 777 amends current law relating to the eligibility of land owned by certain members of the armed services of the United States for appraisal for ad valorem tax purposes as qualified open-space land.

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 Subchapter D, Chapter 23, Tax Code, by adding Section 23.523, as follows:

Sec. 23.523 TEMPORARY CESSATION OF AGRICULTURAL USE WHEN PROPERTY OWNER DEPLOYED OR STATIONED OUTSIDE STATE AS MEMBER OF ARMED SERVICES. (a) Provides that the eligibility of land for appraisal, under this subchapter (Appraisal of Agricultural Land) does not end because the land ceases to be devoted principally to agricultural use to the degree of intensity generally accepted in the area if the owner of the land is a member of the armed services of the United States who is deployed or stationed outside this state and intends that the use of the land in that manner and to that degree of intensity be resumed not later than the 180th day after the date the owner ceases to be deployed or stationed outside this state.

(b) Requires the owner of land to notify the appraisal office in writing of certain facts not later than the 30th day after the date the owner is deployed or stationed outside this state.

SECTION 2. (a) Provides that this section applies only to land owned by a member of the armed services of the United States who is deployed or stationed outside this state on the effective date of this Act.

(b) Provides that, notwithstanding Section 23.523(b), Tax Code, as added by this Act, the eligibility of the land for appraisal under Subchapter D, Chapter 23 (Appraisal Methods and Procedures), Tax Code, does not end because the land ceases to be devoted principally to agricultural use to the degree of intensity generally accepted in the area if the owner of the land meets certain requirements and provides a certain notice not later than the 90th day after the effective date of this Act, and the chief appraiser of the appraisal district in which the land is located has not, as of the effective date of this Act, made a determination that a change in use of the land has occurred under Section 23.55 (Change in Use of Land), Tax Code.

SECTION 3. Effective date: upon passage or September 1, 2017.