

# TAAD LEGISLATIVE UPDATE

LEGISLATION AFFECTING AG, SPECIAL APPRAISAL

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## SPECIAL APPRAISAL BILLS PASSED IN 2019 SESSION

### ▶ BILLS TO BE COVERED

- ▶ HB 369
- ▶ HB 1254
- ▶ HB 1409
- ▶ HB 1743
- ▶ HB 3348

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## HB 639 ECOLOGICAL LABS

- ▶ HB 639 was a bill by Representative Drew Springer (R) from Cooke County
- ▶ Signed by the Governor 06/02/2019
- ▶ **Effective Date: 01/01/2021**
- ▶ Land Used as an **Ecological Lab Must Meet Five Year Requirement**
  - ▶ HB 639 adds that land used as an **ecological laboratory by a public or private university must be used principally in that manner by the college or university for five of the preceding seven years.**
  - ▶ **The effective date applies for tax year 2021 and thereafter, with some exceptions. If the land qualified for use as an ecological laboratory in the 2014 to 2020 tax years, then the change in the law applies to a tax year that begins on January 1, 2021.**
  - ▶ For the 2021 to 2026 tax years, the qualification of land on its use as ecological laboratory is governed by the law that existed before January 1, 2021.

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## ECOLOGICAL LABORATORIES

▶ SECTION 23.51 OF PROPERTY TAX CODE

▶ "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 private college or university and that has been used principally in that manner by a college or university for five of the preceding seven years.

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## AND THE REST OF THE STORY.....

**Only applies to land that first qualified** for appraisal under Subchapter D, Chapter 23, Tax Code, on the basis of its use as an ecological laboratory in the 2014, 2015, 2016, 2017, 2018, 2019 or 2020 tax year.

The above mentioned years are covered under old law and not this new law

For 2020 Comptroller Form 50-166 Application for Open Space Land Appraisal for Ecological Laboratories will be used ( same form as you have been using)

This change in law made by this bill applies to land to which this subsection applies beginning with the January 1, 2027 tax year.

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▶ For the 2021-2026 tax years, the qualification of land to which this subsection applies for appraisal under Subchapter D, Chapter 23, Tax Code, on the basis of its use as an ecological laboratory is governed by the law as it existed immediately before the effective date of this bill and the former law is continued in effect for that purpose.

▶ THIS APPLIES TO NEW APPLICATIONS STARTING IN 2021.

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- ▶ This bill is for "New" Ecological Laboratories starting 01/01/2021.
- ▶ For 2021 Year Comptroller will have a new form.

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### Qualified Under Old Law

2014	2015	2016	2017	2018	2019	2020
ALL OF	THESE	PROTECT-	OLD LAW	UNTIL	JAN 1,	
	YEARS	ED			2017	
		UNDER				

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### NEW LAW

2021	2022	2023	2024	2025	2026	2027




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# HB 1254 LAND SECURED WITH HOME EQUITY LOANS

HB 1254 was a bill by Representative Jim Murphy ( R ) from Harris County

Signed by the Governor 05/07/2019

Effective Date: 01/01/2020

Land Secured with Home Equity Loan May Receive Agricultural Use Valuation

Amends Section 23.42 of the Tax Code

Repeals 23.42 (a-1)

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# HB1254

- ▶ The bill repeals the provision that a landowner who secures land with a home equity loan may not designate the land for ag use appraisal.
- ▶ **Remember 23.42 is 1-D** ( not 1-D-1)
- ▶ **Section 23.42 (a-1) stated on or after January 1, 2008, an individual is not entitled to have land designated for ag use if he land secures a home equity loan described by Section 50 (a) (6) Article XVI Texas Constitution.**



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# HB 1409

Timberland Appraisal Continues for Other Uses of Qualified Timberland

- ▶ HB 1409 was a bill by Representative Trent Ashby ( R ) from Angelina County
- ▶ Signed by the Governor 05/16/2019
- ▶ Effective Date: 09/01/2019
- ▶ **TIMBERLAND APPRAISAL CONTINUES FOR OTHER USES OF QUALIFIED TIMBERLAND**
- ▶ Adds 23.765 , 23.9808 and Amends 23.72, 23.9802

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### HB 1409

- ▶ This bill adds that Timberland Appraisal INCLUDES a portion of the land used as a road, right of way, buffer area or firebreak.
- ▶ That portion ALSO qualifies for timberland appraisal.




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### HB 1409

- ▶ Land that is leased for oil and gas operations with Railroad Commission authority **does NOT** lose its eligibility for timberland appraisal on the land on which oil and gas operations are not being conducted.




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### HB 1743 INTEREST RATE AND NUMBER OF YEARS REDUCED FOR SPECIAL APPRAISAL ROLLBACK

HB 1743 was a bill by Representative TRACY KING ( D ) from UVALDE County

Signed by the Governor 06/15/2019

Effective Date: 09/01/2019

Interest rate and number of years reduced under Rollback Provision

Amends 23.55 and 23.76

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### HB 1743

- ▶ This bill reduces the number of years for a rollback tax bill for land that has changed from agricultural use to non-agricultural use from 5 years to 3 years.
- ▶ This bill lowers the interest rate imposed on the rollback tax bill from 7% down to 5%.
- ▶ This bill covers both agricultural land ( Section 23.55 ) and timberland ( Section 23.76 )

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### HB 3348 LAND IN TEMPORARY TICK QUARANTINE CONTINUES TO RECEIVE OPEN SPACE LAND VALUE

-  HB 3348 was a bill by Representative Ryan Guillen ( D ) from STARR County
-  Signed by the Governor 05/21/2019
-  Effective Date: 05/21/2019
-  Land that has been quarantined for Ticks will continue to receive open space land value
-  Adds 23.426 and 23.526

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### HB 3348

- ▶ This bill adds that qualified agricultural (1-d) and qualified open space land (1-D-1) **WILL CONTINUE to be eligible** for special valuation during a temporary cessation of ag use due to a quarantine for ticks.
- ▶ The **Texas Animal Health Commission establishes the temporary quarantine at any time during the tax year** and the land is used primarily for raising of livestock.
- ▶ **Landowner MUST NOTIFY the chief appraiser in WRITING within 30 days that the land is designated as a tick eradication area and MUST NOTIFY the chief appraiser 30 days after the land is released from quarantine by the TAHC.**

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Texas Weather Lately



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