

TAAD LEGISLATIVE UPDATE LEGISLATION AFFECTING AG, SPECIAL APPRAISAL

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SPECIAL APPRAISAL BILLS PASSED IN 2021 SESSION

BILLS TO BE COVERED

HB 3833

SB 725

SB 1245

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HB 3833

HB 3833 by Rep P. King,
Senator K. Hancock

Signed by the Governor
06/15/2021

Effective Date: IMMEDIATELY

THIS IS A ROLLBACK BILL



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HB 3833

Under Tax Code Sec. 23.86, if land that was appraised as **recreational, park, or scenic land (under Sec 23.81)** is no longer subject to a deed restriction or is diverted to another use, an additional tax is imposed on the land for the preceding five years , plus interest at an annual rate of 7%

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Secs. 23.96 and 23.9807 establish a similar rollback period for additional

taxes and interest imposed on land appraised as public access airport

property or restricted-use timber, respectively, if the land was no longer

subject to a deed restriction or if there was a change in land use.



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HB 3833 INTENT

HB 3833 would limit additional taxes imposed on land appraised as recreational, park, or scenic land; public access airport property; or restricted-use timber for which the use of land changed or that was no longer subject to a deed restriction. Additional taxes could be imposed

only on the preceding three tax years, plus interest at an annual rate of 5

percent.

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HB 3833 SUPPORTERS



Scott Norman, Texas Association of Builders;



James LeBas, AECT, TXOGA, and IBAT;



David Mintz, Texas Apartment Association;



Rick Dennis, Texas Association of Property Tax Professionals

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SUPPORTERS TESTIFIED

HB 3833 would reduce the tax burden for certain property owners and standardize tax laws.

Under current law, certain types of land are appraised using methods other than market value, but if the use of that land changes, there is a rollback period of five years during which the land faces penalties.

The bill would limit the rollback period such that additional taxes would be imposed only for the **preceding three years**, rather than five years, and at an interest rate of **5 percent, rather than 7 percent**. **In 2019, the Legislature made this limitation for agricultural use and timber use land, and this bill would be a logical extension of that policy by providing the same for park lands, airport property, and restricted-use timber land.**

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SB 725

SB 725 by C. Schwertner; Ben
Leman

Signed by the Governor
05/18/2021

Effective Date: SEPT 1, 2021



SB 725



SB 725

Amends Section 23.46, Tax Code, by adding Subsections (e-1) and (g), as follows:

(e-1) Provides that a portion of a parcel of land is not diverted to nonagricultural use for

purposes of Subsection (c) (relating to the taxation of certain agricultural land that is sold

or diverted to a nonagricultural use) because the portion is subject to a right-of-way that

is less than 200 feet wide and that was taken by condemnation if the remainder of the parcel of land qualifies for appraisal under Subchapter C (Land Designated for Agricultural Use).

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(g) Provides that, if the additional taxes are due because the land has been diverted to a nonagricultural use as a result of a condemnation, the additional taxes and interest imposed by Section 23.46 (Additional Taxation) are the personal obligation of the condemning entity and not the property owner from whom the property was taken.

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S B 725

**Remember Sec 23.46 is specific to 1 – D
So, land qualified for 1-D WILL NOT LOSE
special valuation if a portion is taken by
condemnation for a right of way if the
remainder of the land still qualifies for
ag.????????????????????????????????????**

WHAT????????????????????

SB 725

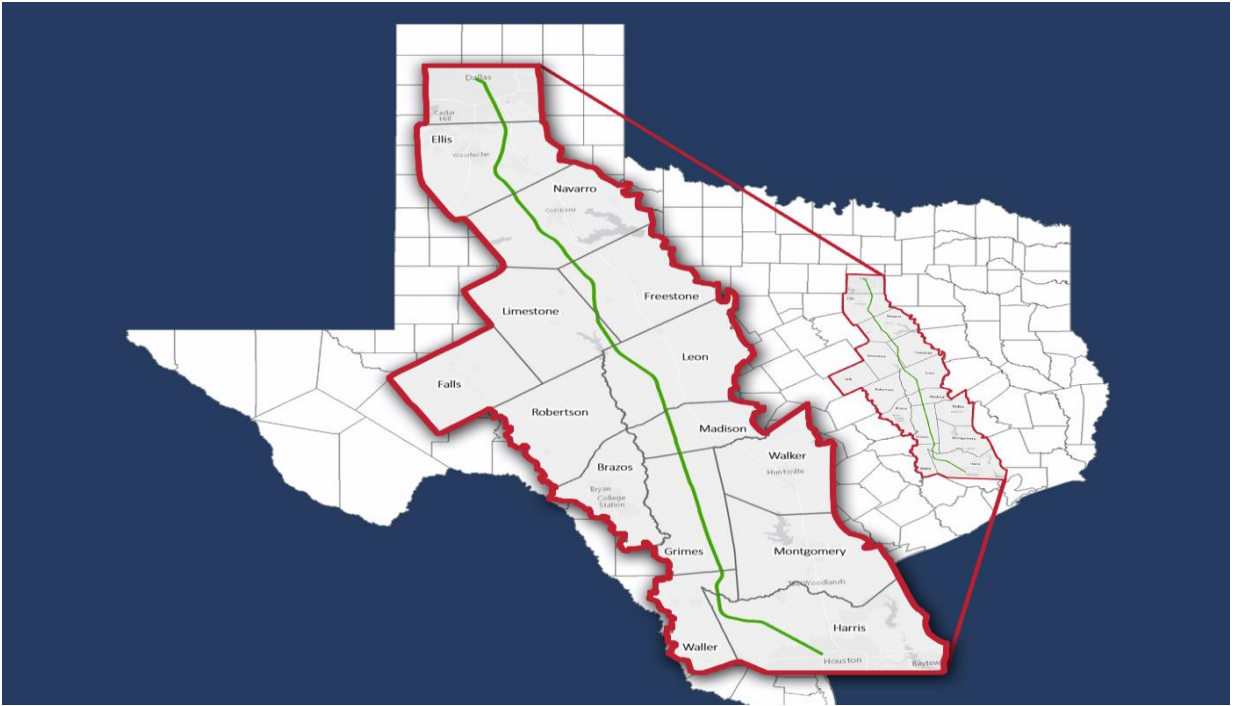
Was this bill possible introduced and passed because of something that might deal with any future Texas high speed rail taking farm or ranch land under eminent domain.

The witness list for this bill had the Sierra Club, Farm Bureau, cattle raisers, Texans for land rights.

Also, the right-of-way size being less than 200 feet wide in the bill may indicate rail.

Sen. Dist. 5 for Sen Schwertner includes counties (Milam, Robertson, Leon, Freestone, Madison Walker) with stretches of I45 and a possible path between Houston and Dallas

House Dist. 13 for Rep Leman includes counties (Austin, Burleson, Colorado, Fayette, Grimes, Lavaca and Washington)



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SB 1245

SB 1245 by C. PERRY ; A. MURR

Signed by the Governor
06/07/2021

Effective Date: 09/01/2021



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2020

Glenn Hegar
Texas Comptroller of Public Accounts

Texas Farm and Ranch Survey

The Texas Comptroller is required by law to develop agricultural productivity values for qualified open-space lands instead of market value. We would appreciate your assistance in completing the following survey. These values do not directly affect local values or property taxes which are set by local authorities. Rather, your answers will be compiled and analyzed to establish productivity values that will be used by the Comptroller as part of the Property Value Study (PVS), which assigns a value to all property within each school district for state funding purposes. This independent estimate, which is also required by law, ensures equitable school funding by detecting instances where school property values are inaccurate and adjusting the school funding formula accordingly. The

state's formula sends more money to districts that are less able to raise money locally because of insufficient taxable property value. When local values are more than 5 percent below state values, the school district could receive fewer state dollars because the formulas will use state values to calculate funding. Therefore, your responses to this survey are extremely important to the Comptroller and to the schoolchildren of Texas.

This survey can be completed online at: comptroller.texas.gov/taxes/pr-property-tax/pvs/farm-ranch-survey.php. While your name is not required, we must have your county name and capacity. Your name and phone number would be helpful should questions arise regarding your responses.

Thank you for taking the time to complete this survey. Please select the answer that best describes your response to the survey question. If you need assistance, please contact Joe Holcomb at 800-252-9121 (press 1 to access the agency directory, then enter 6-6945).

Name (First and Last):

Phone:

County Name:

1.

2. I am completing this survey in my capacity as (please check the one that most closely applies):

- Chief Appraiser or designee
- Member, Appraisal District Agricultural Advisory Board
- Texas A&M AgriLife Extension, County Agriculture Extension Agent or other _____
- USDA Farm Service Agency, County Executive Director or other _____
- Agricultural Credit Association, President or Branch Manager or other _____
- Other (Please describe) _____

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SB 1245

Relating to the farm and ranch survey conducted by the comptroller for purposes of estimating the productivity value of qualified open-space land as part of the study of school district taxable values.

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SB 1245 SPONSORS STATEMENT OF INTENT

Reliability and accuracy of the property value study is critical because it helps determine the amount of funding a school district receives from the state.

To ensure up-to-date and accurate data is used in the study, each year the Office of the Comptroller of Public Accounts of the State of Texas conducts a farm and ranch survey (FARS). This survey gathers agricultural productivity data, which helps determine the value of farm and ranch land for the study.

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Unfortunately, stakeholders have noticed that the FARS is not always turned in by appraisers and landowners, or an incomplete survey is submitted. Also, there have been observations that there may be a lack of understanding on how to properly and accurately fill out the survey.

S.B. 1245 takes steps towards ensuring the accuracy and reliability of FARS.

S.B. 1245 amends current law relating to the farm and ranch survey conducted by the comptroller for purposes of estimating the productivity value of qualified open-space land as part of the study of school district taxable values.

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SB 1245

Amends Subchapter M, Chapter 403, Government Code, by adding Section 403.3022

Sec. 403.3022. FARM AND RANCH SURVEY. (a) Requires the Comptroller of Public Accounts of the State of Texas (comptroller) to conduct an annual farm and ranch survey for purposes of estimating the productivity value of qualified open-space land as part of a study under Section 403.302 (Determination of School District Property Values).

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(b) Requires the comptroller to prepare and issue an instructional guide that provides information to assist individuals in completing the farm and ranch survey. Requires that the instructional guide include:

(1) definitions of words related to property appraisal in the survey;

(2) instructions and examples regarding how to answer the questions in the survey;

(3) answers to frequently asked questions; and

(4) any other information the comptroller determines is necessary to assist individuals in completing the survey.

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FARM AND RANCH SURVEY



(c) Requires the comptroller, at least once each year, to conduct an online or in-person informational session that is open to the public regarding how to complete the farm and ranch survey. Requires the comptroller to post a recording of the informational session on the comptroller's Internet website.



(d) Requires the comptroller, at least once each year, to solicit comments from the public and the property tax administration advisory board for the purposes of determining the ease and understandability of the farm and ranch survey and ensuring that the questions in the survey are designed to generate reliable answers.

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(e) Requires the chief appraiser of each appraisal district to distribute the farm and ranch survey instructional guide to the members of the agricultural advisory board for the appraisal district appointed under Section 6.12 (Agricultural Appraisal Advisory Board), Tax Code, and to provide information to the board regarding how to access the informational session provided under Subsection (c) of this section. Authorizes the chief appraiser to distribute the instructional guide electronically under this subsection.



(f) Requires the comptroller to distribute the farm and ranch survey instructional guide to individuals who receive the farm and ranch survey from the comptroller and to provide information to those individuals regarding how to access the informational session provided under Subsection (c). Authorizes the comptroller to distribute the instructional guide electronically under this subsection.

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FARM AND RANCH SURVEY

(g) Provides that the definitions of words related to property appraisal included in the instructional guide are for informational purposes only and do not apply to this code or the Tax Code.

SECTION 2. Requires the comptroller, not later than January 1, 2022, to prepare and issue the instructional guide required by Section 403.3022, Government Code, as added by this Act.

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AG BILL THAT DIDN'T GET ANY BUZZ IN THE SESSION



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HB 4319 BY SHINE

It did not go anywhere because the
MONTGOMERY COUNTY BEEKEEPERS
ASSOCIATION did not approve