

BILL ANALYSIS

H.B. 1900
By: Rodriguez, Eddie
Agriculture & Livestock
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Interested parties point out that the Tax Code provides a property tax exemption for qualified open-space land that is devoted principally to agricultural use. The parties observe that the law defines agricultural use broadly, yet many county assessors have applied it in a restrictive, narrow manner that prevents organic and other uncommon production methods or systems from qualifying for the exemption. The parties express concern that while conventional farms appear to easily qualify for a lower property tax valuation for agricultural operations, sustainable, local producers struggle for, and are often denied, the same valuation—even when the primary purpose of the property is raising food for the community. H.B. 1900 seeks to bring fairness to property tax policy for farmers.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 1900 amends the Tax Code to require a chief appraiser to distinguish between the degree of intensity required for various agricultural production methods for purposes of the eligibility of land for appraisal for property tax purposes as open-space land. The bill includes the production of fruits and vegetables as agricultural use for such purposes, as well as the use of land for a nonprofit community garden, defined by the bill as land gardened by a nonprofit organization in a neighborhood or community for the purpose of providing without profit fresh produce for the benefit of the neighborhood's or community's residents.

H.B. 1900 requires the comptroller of public accounts, in consultation with the Texas A&M AgriLife Extension Service, individuals selected by the comptroller who represent appraisal districts, and individuals selected by the comptroller who represent affected producers, to develop guidelines for determining under what conditions the cumulative effect of multiple agricultural uses of a tract of land meets the degree of intensity generally accepted in the area. The bill requires the comptroller, in consultation with the Texas A&M AgriLife Extension Service, individuals selected by the comptroller who represent appraisal districts, and individuals selected by the comptroller who represent small-scale producers, to develop guidelines for determining under what conditions land under 10 acres in size used for the production of fruits, vegetables, poultry, hogs, sheep, or goats qualifies for appraisal as open-space land. The bill requires the guidelines to provide that land under 10 acres in size that qualifies for appraisal as open-space land solely on the basis of the guidelines developed under the bill's provisions may

not subsequently qualify for appraisal as open-space land if the owner changes the use of the land to wildlife management.

H.B. 1900 requires the comptroller, in consultation with the Texas A&M AgriLife Extension Service, individuals selected by the comptroller who represent appraisal districts, and individuals selected by the comptroller who are nonprofit community garden stakeholders, to develop guidelines consistent with the definition of "nonprofit community garden" for determining whether land qualifies as a nonprofit community garden for appraisal as open-space land.

H.B. 1900 authorizes the guidelines developed under the bill's provisions to include recordkeeping requirements consistent with normal practices of agricultural operations and nonprofit community gardens.

H.B. 1900 requires the comptroller, in cooperation with appraisal districts, to provide educational resources to chief appraisers to assist with the appraisal of land using the guidelines developed under the bill's provisions and of land using an uncommon production method. The bill requires the comptroller to distribute the guidelines as required by the bill to each appraisal district not later than September 1, 2016. The bill's provisions apply only to the appraisal of land for property tax purposes for a tax year that begins on or after January 1, 2017.

EFFECTIVE DATE

September 1, 2015.