

BILL ANALYSIS

Senate Research Center

H.B. 1723
By: Telford (Ratliff)
State Affairs
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Engrossed

DIGEST

Currently, the appraised value for land that is dedicated to timber production is significantly higher than that of land dedicated to open-space agriculture. Owners who convert land formerly used for open-space agriculture to land used for timber production must pay a considerably higher amount in property taxes per acre than they paid previous to the conversion. However, there is no annual return from timber for at least 12 to 15 years after planting. This bill requires a new standard for determining the taxable value of certain timberland.

PURPOSE

As proposed, H.B. 1723 sets forth provisions regarding the appraisal for property tax purposes of open-space land that is converted to the production of timber.

RULEMAKING AUTHORITY

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 23D, Tax Code, by adding Section 23.59, as follows:

Sec. 23.59. APPRAISAL OF OPEN-SPACE LAND THAT IS CONVERTED TO TIMBER PRODUCTIONS. Authorizes an owner to elect to have certain land continue to be appraised under this subchapter for 15 years after the date the land is converted to the production of timber, so long as the land qualifies for appraisal as timber land under Subchapter E. Provides that in the event the land is deemed to be the same category of land under this subchapter as it was immediately before conversion to timber production. Requires the election to be made by a new application filed as provided by Section 23.54 and remains in effect for 15 years or until a change in use of the land occurs. Provides that this section applies to the appraisal of land converted to timber production only until a certain date. Requires the land to be appraised as timber land as provided by Subchapter E, so long as it qualifies as timber land under Subchapter E in the 16th and subsequent years.

SECTION 2. Effective date: September 1, 1997.

SECTION 3. Emergency clause.