

BILL ANALYSIS

Senate Research Center
78R3811 RCJ-D

S.B. 480
By: Madla
Finance
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As Filed

DIGEST AND PURPOSE

Currently, if the use of land that has been appraised changes, an additional tax is imposed on the land equal to the difference between the taxes imposed on the land for each of the five years preceding the year in which the change of use occurs that the land was appraised and the tax that would have been imposed had the land been taxed on the basis of market value in each of those years, plus interest at an annual rate of seven percent calculated from the dates on which the differences would have become due. However, an exemption exists which states this tax does not apply if there is a transfer of property to the state or a political subdivision of the state to be used for a public purpose. As proposed, S.B. 480 would exempt certain land from the additional tax imposed on the change of use on land appraised for ad valorem tax purposes as open-space land if the property is the subject of transfer from the state or a political subdivision of the state to an individual or a business entity for purposes of economic development.

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 Section 23.55(f), Tax Code, to provide that sanctions provided by Subsection (a) of this section, relating to imposing additional taxes on the change of use of land appraised for ad valorem tax purposes as open-space land, do not apply if the change of use occurs as a result of a transfer of the property from the state or a political subdivision of the state to an individual or a business entity for the purposes of economic development.

SECTION 2. (a) Effective date: upon passage or September 1, 2003.

(b) Makes application of this Act prospective.