

BILL ANALYSIS

Senate Research Center
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H.B. 2165
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Finance
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Since 1977, statute has permitted land that is used principally as an ecological laboratory by a public or private university to be designated as "qualified open-space land" for purposes of property tax appraisals. However, the law specifies neither the type or amount of research that must be done nor the method by which the land is to be appraised.

Because ambiguity in the current law has led to disputes between landowners and county appraisal districts, the House Ways and Means Committee (committee) conducted an interim study to clarify what constitutes an ecological laboratory and to establish criteria for qualifying an ecological laboratory as open-space land for appraisal purposes. This legislation incorporates the committee's recommendations.

H.B. 2165 clearly defines land that is "devoted principally to ecological research" and requires the owner of the land to take certain measures to ensure the validity of the ecological research. Likewise, the bill provides statutory guidelines to appraisers for determining whether land qualifies as that which is principally devoted to ecological research and, if so, how to appraise that land.

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 23.51, Tax Code, by amending Subdivision (1) and adding Subdivisions (9) and (10), to redefine "qualified open-space land" and define "devoted principally to ecological research" and "ecological research."

SECTION 2. Amends Subchapter D, Chapter 23, Tax Code, by adding Section 23.522, as follows:

Sec. 23.522. APPRAISAL OF LAND ON BASIS OF DEVOTION TO ECOLOGICAL RESEARCH. (a) Authorizes the chief appraiser to require that an annual application be submitted on the form prescribed by the comptroller under Section 23.54(b) (relating to application requirements), notwithstanding Section 23.54(e) (relating to a person who fails to file a valid application on time). Prohibits the chief appraiser from approving an application for the appraisal of land under this subchapter as land devoted principally to ecological research unless the owner of the land provides the chief appraiser with a written statement, signed by a supervising faculty member, from the public or private college or university allowed to engage in ecological research on the land that affirms that certain requirements are met.

(b) Provides that land, including any improvement to the land, that is actually used in the occupancy of a residence homestead, as defined by Section 11.13(j)(1) (relating to the definition of "residence homestead"), is not eligible for appraisal under this subchapter as land devoted principally to ecological research.

(c) Requires that the entire tract of land that is subject to the written agreement between the owner and the applicable public or private college or university be

appraised under this subchapter as land devoted principally to ecological research if at least three ecological research projects are being conducted on any portion of the land in the current tax year and the land is otherwise eligible for appraisal under this subchapter.

(d) Requires the chief appraiser to classify the land in the native pasture category and appraise the land in accordance with Section 23.52 (Appraisal of Qualified Agricultural Land) on approval of an application for appraisal of land under this subchapter as land devoted principally to ecological research.

(e) Authorizes the chief appraiser to require an owner of land allowed appraisal under this subchapter as land devoted principally to ecological research in a prior year to annually submit, before April 1 of each year, a report signed by a supervising faculty member of the public or private college or university that confirms and documents that each element in the written statement provided under Subsection (a) was properly implemented in the prior year. Requires the chief appraiser, not later than May 1, to notify the owner that appraisal of the land under this subchapter as land devoted principally to ecological research is denied for the prior year and include in the notice an explanation of the owner's right to protest the denial if the owner of the land fails or refuses to submit an annual report, or if the chief appraiser determines that a report does not provide the required documentation. Requires the chief appraiser to change or correct the appraisal records as necessary and, as soon as practicable, requires the assessor for each taxing unit to prepare and deliver a bill for any additional taxes on the land and interest due if the owner does not file a timely protest or if the final determination of the protest is that the land was not eligible for appraisal under this subchapter as land devoted principally to ecological research.

(f) Provides that the denial of appraisal of land under this subchapter as land devoted principally to ecological research in a previous year under Subsection (e) does not disqualify the land for appraisal under this subchapter as land devoted principally to ecological research in the current year.

(g) Provides that land that has been appraised for at least two of the preceding three years under this subchapter as land devoted principally to ecological research qualifies under Sections 23.51(2) (relating to the definition of "agricultural use") and (7) (relating to the definition of "wildlife management") for appraisal under this subchapter regardless of the manner in which the land was used in any prior year if the land is otherwise eligible for appraisal under this subchapter.

SECTION 3. Provides that this Act applies only to the appraisal of land for ad valorem tax purposes for a tax year that begins on or after the effective date of this Act.

SECTION 4. Effective date: January 1, 2010.