

AN ACT

relating to the procedure for determining that certain land is no longer eligible for appraisal for ad valorem tax purposes as agricultural or open-space land.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 1.07(d), Tax Code, is amended to read as follows:

(d) A notice required by Section 11.45(d), 23.44(d), 23.46(c) or (f), 23.54(e), 23.541(c), 23.55(e), 23.551(a), 23.57(d), 23.76(e), 23.79(d), or 23.85(d) must be sent by certified mail.

SECTION 2. Section 23.43(d), Tax Code, is amended to read as follows:

(d) The comptroller in prescribing the contents of the application forms shall ensure that each form requires a claimant to furnish the information necessary to determine the validity of the claim. The comptroller shall require that the form permit a claimant who has previously been allowed an agricultural designation to indicate that previously reported information has not changed and to supply only the eligibility information not previously reported. The form must include a space for the claimant to state the claimant's date of birth. Failure to provide the date of birth does not affect a claimant's right to an agricultural designation under this subchapter.

1 SECTION 3. Section 23.46, Tax Code, is amended by amending
2 Subsection (c) and adding Subsection (f) to read as follows:

3 (c) If land that has been designated for agricultural use in
4 any year is sold or diverted to a nonagricultural use, the total
5 amount of additional taxes for the three years preceding the year in
6 which the land is sold or diverted plus interest at the rate
7 provided for delinquent taxes becomes due. Subject to Subsection
8 (f), a [A] determination that the land has been diverted to a
9 nonagricultural use is made by the chief appraiser. For purposes of
10 this subsection, the chief appraiser may not consider any period
11 during which land is owned by the state in determining whether the
12 land has been diverted to a nonagricultural use. The chief
13 appraiser shall deliver a notice of the determination to the owner
14 of the land as soon as possible after making the determination and
15 shall include in the notice an explanation of the owner's right to
16 protest the determination. If the owner does not file a timely
17 protest or if the final determination of the protest is that the
18 additional taxes are due, the assessor for each taxing unit shall
19 prepare and deliver a bill for the additional taxes plus interest as
20 soon as practicable after the change of use occurs. If the
21 additional taxes are due because of a sale of the land, the assessor
22 for each taxing unit shall prepare and deliver the bill as soon as
23 practicable after the sale occurs. The taxes and interest are due
24 and become delinquent and incur penalties and interest as provided
25 by law for ad valorem taxes imposed by the taxing unit if not paid
26 before the next February 1 that is at least 20 days after the date
27 the bill is delivered to the owner of the land.

1 (f) If land designated for agricultural use under this
2 subchapter is owned by an individual 65 years of age or older,
3 before making a determination that the land has been diverted to a
4 nonagricultural use, the chief appraiser shall deliver a written
5 notice to the owner stating that the chief appraiser believes the
6 land may have been diverted to a nonagricultural use. The notice
7 must include a form on which the owner may indicate that the owner
8 remains entitled to have the land designated for agricultural use
9 and a self-addressed postage prepaid envelope with instructions for
10 returning the form to the chief appraiser. The chief appraiser
11 shall consider the owner's response on the form in determining
12 whether the land has been diverted to a nonagricultural use. If the
13 chief appraiser does not receive a response on or before the 60th
14 day after the date the notice is mailed, the chief appraiser must
15 make a reasonable effort to locate the owner and determine whether
16 the owner remains entitled to have the land designated for
17 agricultural use before determining that the land has been diverted
18 to a nonagricultural use. For purposes of this subsection, sending
19 an additional notice to the owner immediately after the expiration
20 of the 60-day period by first class mail in an envelope on which is
21 written, in all capital letters, "RETURN SERVICE REQUESTED," or
22 another appropriate statement directing the United States Postal
23 Service to return the notice if it is not deliverable as addressed,
24 or providing the additional notice in another manner that the chief
25 appraiser determines is appropriate, constitutes a reasonable
26 effort on the part of the chief appraiser.

27 SECTION 4. Sections 23.54(c) and (e), Tax Code, are amended

1 to read as follows:

2 (c) The comptroller shall include on the form a notice of
3 the penalties prescribed by Section 37.10, Penal Code, for making
4 or filing an application containing a false statement. The
5 comptroller, in prescribing the contents of the application form,
6 shall require that the form permit a claimant who has previously
7 been allowed appraisal under this subchapter to indicate that
8 previously reported information has not changed and to supply only
9 the eligibility information not previously reported. The form must
10 include a space for the claimant to state the claimant's date of
11 birth. Failure to provide the date of birth does not affect a
12 claimant's eligibility to have the claimant's land appraised under
13 this subchapter.

14 (e) If a person fails to file a valid application on time,
15 the land is ineligible for appraisal as provided by this subchapter
16 for that year. Once an application is filed and appraisal under
17 this subchapter is allowed, the land is eligible for appraisal
18 under this subchapter in subsequent years without a new application
19 unless the ownership of the land changes or its eligibility under
20 this subchapter ends. However, subject to Section 23.551, if the
21 chief appraiser [if he] has good cause to believe that land is no
22 longer eligible for appraisal [the land's eligibility] under this
23 subchapter [has ended], the chief appraiser may require a person
24 allowed appraisal under this subchapter in a prior year to file a
25 new application to confirm that the land is currently eligible for
26 appraisal under this subchapter by delivering a written notice that
27 a new application is required, accompanied by the application form,

1 to the person who filed the application that was previously
2 allowed.

3 SECTION 5. Section 23.55(e), Tax Code, is amended to read as
4 follows:

5 (e) Subject to Section 23.551, a [A] determination that a
6 change in use of the land has occurred is made by the chief
7 appraiser. The chief appraiser shall deliver a notice of the
8 determination to the owner of the land as soon as possible after
9 making the determination and shall include in the notice an
10 explanation of the owner's right to protest the determination. If
11 the owner does not file a timely protest or if the final
12 determination of the protest is that the additional taxes are due,
13 the assessor for each taxing unit shall prepare and deliver a bill
14 for the additional taxes plus interest as soon as practicable. The
15 taxes and interest are due and become delinquent and incur
16 penalties and interest as provided by law for ad valorem taxes
17 imposed by the taxing unit if not paid before the next February 1
18 that is at least 20 days after the date the bill is delivered to the
19 owner of the land.

20 SECTION 6. Subchapter D, Chapter 23, Tax Code, is amended by
21 adding Section 23.551 to read as follows:

22 Sec. 23.551. ADDITIONAL NOTICE TO CERTAIN LANDOWNERS. (a)
23 If land appraised as provided by this subchapter is owned by an
24 individual 65 years of age or older, before making a determination
25 that a change in use of the land has occurred, the chief appraiser
26 shall deliver a written notice to the owner stating that the chief
27 appraiser believes a change in use of the land may have occurred.

1 (b) The notice must include a form on which the owner may
2 indicate that the land remains eligible to be appraised as provided
3 by this subchapter and a self-addressed postage prepaid envelope
4 with instructions for returning the form to the chief appraiser.

5 (c) The chief appraiser shall consider the owner's response
6 on the form in determining whether the land remains eligible for
7 appraisal under this subchapter.

8 (d) If the chief appraiser does not receive a response on or
9 before the 60th day after the date the notice is mailed, the chief
10 appraiser must make a reasonable effort to locate the owner and
11 determine whether the land remains eligible to be appraised as
12 provided by this subchapter before determining that a change in use
13 of the land has occurred.

14 (e) For purposes of this section, sending an additional
15 notice to the owner immediately after the expiration of the 60-day
16 period prescribed by Subsection (d) by first class mail in an
17 envelope on which is written, in all capital letters, "RETURN
18 SERVICE REQUESTED," or another appropriate statement directing the
19 United States Postal Service to return the notice if it is not
20 deliverable as addressed, or providing the additional notice in
21 another manner that the chief appraiser determines is appropriate,
22 constitutes a reasonable effort on the part of the chief appraiser.

23 SECTION 7. Section [521.049](#)(d), Transportation Code, is
24 amended to read as follows:

25 (d) To assist chief appraisers in determining the
26 eligibility of individuals for residence homestead exemptions from
27 ad valorem taxation under Section [11.13](#), Tax Code, and the

1 applicability to certain individuals of additional notice
2 provisions under Subchapters C and D, Chapter 23, Tax Code, the
3 department shall provide, without charge, to the chief appraiser of
4 each appraisal district in this state:

5 (1) a copy of each driver's license record or personal
6 identification certificate record held by the department; or

7 (2) information relating to the name, date of birth,
8 driver's license or personal identification certificate number,
9 and most recent address as shown in the records of individuals
10 included in the department's driver's license or personal
11 identification certificate records.

12 SECTION 8. The change in law made by this Act applies only
13 to a determination by a chief appraiser that an individual 65 years
14 of age or older is no longer eligible to have land appraised as
15 provided by Subchapter C or D, Chapter 23, Tax Code, that is made on
16 or after the effective date of this Act. A determination by a chief
17 appraiser that an individual 65 years of age or older is no longer
18 eligible to have land appraised as provided by Subchapter C or D,
19 Chapter 23, Tax Code, that is made before the effective date of this
20 Act is governed by the law in effect at the time the determination
21 was made, and that law is continued in effect for that purpose.

22 SECTION 9. This Act takes effect September 1, 2015.

President of the Senate

Speaker of the House

I certify that H.B. No. 1464 was passed by the House on April 30, 2015, by the following vote: Yeas 139, Nays 0, 1 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 1464 was passed by the Senate on May 23, 2015, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor