

Chapter 44

S.B. No. 1459

1 AN ACT

2 relating to incentives to encourage landowners to destroy, remove,  
3 or treat citrus trees located in a pest management zone.

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

5 SECTION 1. Subchapter D, Chapter 23, Tax Code, is amended by  
6 adding Section 23.524 to read as follows:

7 Sec. 23.524. TEMPORARY CESSATION OF AGRICULTURAL USE TO  
8 MANAGE THE SPREAD OF CERTAIN PESTS. (a) In this section,  
9 "commissioner," "corporation," "infested," "pest," and "pest  
10 management zone" have the meanings assigned by Section 80.003,  
11 Agriculture Code.

12 (b) The eligibility of land for appraisal under this  
13 subchapter does not end because the land ceases to be devoted  
14 principally to agricultural use to the degree of intensity  
15 generally accepted in the area for the period prescribed by  
16 Subsection (c) if:

17 (1) the land is:

18 (A) located in a pest management zone; and

19 (B) appraised under this subchapter primarily on  
20 the basis of the production of citrus in the tax year in which the  
21 agreement described by this subsection is executed;

22 (2) the owner of the land:

23 (A) has executed an agreement to destroy, remove,  
24 or treat all the citrus trees located on the land that are or could

1 become infested with pests with:

2 (i) the corporation;

3 (ii) the commissioner; or

4 (iii) the United States Department of  
5 Agriculture; and

6 (B) complies with the requirements of Subsection  
7 (d); and

8 (3) the cessation of use is caused by the destruction,  
9 removal, or treatment of the citrus trees located on the land under  
10 the terms of the agreement described by this subsection.

11 (c) Subsection (b) applies to land eligible for appraisal  
12 under this subchapter only during the period that begins on the date  
13 the agreement described by that subsection regarding the land is  
14 executed and that ends on the fifth anniversary of that date.

15 (d) The owner of land to which this section applies must,  
16 not later than the 30th day after the date the owner executes an  
17 agreement described by Subsection (b):

18 (1) notify in writing the chief appraiser for each  
19 appraisal district in which the land is located that:

20 (A) the agreement has been executed; and

21 (B) the owner intends to destroy, remove, or  
22 treat the citrus trees located on the land under the terms of the  
23 agreement; and

24 (2) submit a copy of the agreement to each chief  
25 appraiser with the notification.

26 (e) For the purposes of this subchapter, a change of use of  
27 the land subject to this section is considered to have occurred on

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1 the day the period prescribed by Subsection (c) begins if the owner  
2 has not fully complied with the terms of the agreement described by  
3 Subsection (b) on the date the agreement ends.

4 SECTION 2. The change in law made by this Act applies only  
5 to land owned by a person who executes an agreement described by  
6 Section 23.524, Tax Code, as added by this Act, on or after the  
7 effective date of this Act.

8 SECTION 3. This Act takes effect immediately if it receives  
9 a vote of two-thirds of all the members elected to each house, as  
10 provided by Section 39, Article III, Texas Constitution. If this  
11 Act does not receive the vote necessary for immediate effect, this  
12 Act takes effect September 1, 2017.

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*Don Petrucci*  
President of the Senate

*Joe Straus*  
Speaker of the House

I hereby certify that S.B. No. 1459 passed the Senate on April 19, 2017, by the following vote: Yeas 28, Nays 3.

*Datsy Gau*  
Secretary of the Senate

I hereby certify that S.B. No. 1459 passed the House on May 5, 2017, by the following vote: Yeas 143, Nays 2, two present not voting.

*Robert Honey*  
Chief Clerk of the House

Approved:

5-18-2017  
Date

*Greg Abbott*  
Governor

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
5:20 PM O'CLOCK  
MAY 19 2017  
*RRP*  
Secretary of State

**LEGISLATIVE BUDGET BOARD  
Austin, Texas**

**FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION**

**May 3, 2017**

**TO:** Honorable Tracy O. King, Chair, House Committee on Agriculture & Livestock

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE:** SB1459 by Hinojosa (Relating to incentives to encourage landowners to destroy, remove, or treat citrus trees located in a pest management zone.), **As Engrossed**

**Passage of the bill would prevent citrus land from losing special open space appraisal qualification when an agreement is signed with one of three specified agencies to destroy, remove, or treat all the citrus trees located on the land that are or could become infested with pests. As a result, taxable property values could be reduced and the related costs to the Foundation School Fund could be increased through the operation of the school finance formulas.**

**Additionally, passage of the bill could increase the number of agreements intended to prevent the spread of citrus infestations and prevent losses in the taxable value of citrus land. As a result, taxable property values could be increased and the related costs to the Foundation School Fund could be decreased through the operation of the school finance formulas.**

The bill would amend Chapter 23 of the Tax Code, regarding property tax appraisal methods and procedures, to provide that the eligibility of land for special open space appraisal does not end because the land ceases to be devoted principally to agricultural use to the degree of intensity generally accepted in the area for a specified five-year period if:

1. the land is located in a pest management zone;
2. the land is appraised as open space citrus land in the year in which the agreement described below is executed;
3. the owner of the land has executed an agreement with one of three specified agencies to destroy, remove, or treat all the citrus trees located on the land that are or could become infested with pests; and
4. the cessation of use is caused by the destruction, removal, or treatment of the citrus trees located on the land under the terms of the agreement.

The continued eligibility of certain citrus lands for special open-space appraisal would apply only during the period that begins on the date the agreement described above is executed and that ends on the fifth anniversary of that date.

The bill would require the citrus land owner to notify the chief appraiser that the agreement has been executed, and that the owner intends to destroy, remove or treat the citrus trees located on the land under the terms of the agreement. The land owner would be required to provide the chief appraiser a copy of the agreement.

Special open space land appraisal results in an appraised value for property tax purposes that is

significantly less than the market value. The destruction or removal, per agreement, of the citrus trees located on qualified open space land would cause a temporary cessation of agricultural use. Land that is no longer used for agricultural purposes loses its qualification for the lower special appraised value. This may discourage citrus growers from executing agreements to prevent the spread of citrus canker, citrus greening, and other pests, which if left unchecked could spread and cause severe losses in the Texas citrus industry. The bill would prevent citrus land from losing special open space appraisal qualification when such an agreement is signed, which could increase the number of agreements intended to prevent the spread of citrus infestations. This could prevent losses in the taxable value of citrus land. The extent of any impact on local taxing units or the state (through the school finance formulas) cannot be estimated because the extent of future infestations that might be prevented by the bill is unknown.

The bill would take effect immediately upon enactment, assuming it received the requisite two-thirds majority votes in both houses of the Legislature. Otherwise, it would take effect September 1, 2017.

### **Local Government Impact**

Passage of the bill would prevent citrus land from losing special open space appraisal qualification when an agreement is signed with one of three specified agencies to destroy, remove, or treat all the citrus trees located on the land that are or could become infested with pests. As a result, taxable property values and the related ad valorem tax revenue for units of local government could be decreased.

Passage of the bill could increase the number of agreements intended to prevent the spread of citrus infestations and prevent losses in the taxable value of citrus land. As a result, taxable property values and the related ad valorem tax revenue for units of local government could be increased.

**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** UP, SZ, SD, SJS

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION**

**March 24, 2017**

**TO:** Honorable Charles Perry, Chair, Senate Committee on Agriculture, Water & Rural Affairs

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE:** SB1459 by Hinojosa (Relating to incentives to encourage landowners to destroy, remove, or treat citrus trees located in a pest management zone.), **As Introduced**

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**Additionally, passage of the bill could increase the number of agreements intended to prevent the spread of citrus infestations and prevent losses in the taxable value of citrus land. As a result, taxable property values could be increased and the related costs to the Foundation School Fund could be decreased through the operation of the school finance formulas.**

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4. the cessation of use is caused by the destruction, removal, or treatment of the citrus trees located on the land under the terms of the agreement.

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