

PROPERTY TAX BILLS IN THE 2009 TEXAS LEGISLATURE REGULAR SESSION

The following are summaries of property-tax bills that were filed in the Legislature's 2009 regular session but that were not passed by both houses as required by law. In some instances, the same language that appears in a dead bill also appears in a bill that was passed. In that case, the language will become law unless the bill containing it is vetoed by the Governor.

DEAD BILLS Exemptions

H.B. 16

Author: Leibowitz

Amends/Enacts: §§11.13 and 11.26 Tax Code; §42.2511 Education Code; §403.302 Government Code

Status: Pending in House Ways and Means Committee

H.J.R. 11

Author: Leibowitz

Amends/Enacts: Art. VIII, § 1-b Texas Constitution

Status: Pending in House Ways and Means Committee

This proposed constitutional amendment and related bill would increase the general homestead exemption that applies to school districts from \$15,000 to \$45,000. Homeowners with tax freezes would have those freezes adjusted downward to reflect the increased exemption. The state would provide school districts with extra money to compensate them for the tax revenues lost as a result of the increased exemption.

H.B. 62

Author: Aycock

Amends/Enacts: §11.13 Tax Code and §403.302 Government Code

Status: Pending in House Ways and Means Committee

Under this bill, a disabled veteran with a 100% disability rating would receive a total exemption for his residence homestead. This homestead exemption would be in addition to the current exemption for disabled veterans.

H.B. 87

Author: Martinez

Amends/Enacts: §§11.13 and 11.26 Tax Code; §42.2511 Education Code; §403.302 Government Code

Status: Pending in House Ways and Means Committee

H.J.R. 18

Author: Martinez

Amends/Enacts: Art. VIII, § 1-b Texas Constitution

Status: Pending in House Ways and Means Committee

This proposed constitutional amendment and related bill would increase the general homestead exemption that applies to school districts from \$15,000 to \$45,000. They are identical to H.B. 16 and H.J.R 11 described above.

H.B. 132

Author: Chisum

Amends/Enacts: §11.184 Tax Code

Status: Pending in House Ways and Means Committee

This bill would force all taxing units to recognize the exemption for primarily charitable organizations designated by the Comptroller. Taxing units would no longer have any options with respect to those exemptions.

H.B. 225

Author: Aycock

Amends/Enacts: §11.32 Tax Code

Status: Pending in House Ways and Means Committee

H.J.R. 25

Author: Aycock

Amends/Enacts: Art. VIII, §1-m Texas Constitution

Status: Pending in House Ways and Means Committee

This proposed constitutional amendment and related bill would exempt the portion of a property's value attributable to the implementation of brush-control measures, water desalination, rainwater harvesting or other water conservation initiatives. The Comptroller would adopt rules and standards to implement the exemption.

H.B. 341

Author: Herrero

Amends/Enacts: §11.13 Tax Code; §403.302 Government Code

Status: Pending in House Ways and Means Committee

H.J.R. 28

Author: Herrero

Amends/Enacts: Art. VIII, §1-b Texas Constitution

Status: Pending in House Ways and Means Committee

This proposed constitutional amendment and related bill would exempt \$3,000 of the value of a homestead belonging to a member of the armed forces or a reservist or National-Guard member on active duty. A person claiming the exemption would have to

file an application with the appraisal district. If the owner did not qualify for the exemption during all of a year, the exemption would be prorated to reflect the time that the owner qualified.

H.B. 589

Author: Naishtat

Amends/Enacts: § 11.18 Tax Code

Status: Passed by House Ways and Means Committee; pending in full House

Under this bill, charitable exemptions would be extended to radio stations broadcasting classical music and other educational, cultural and public-interest programming. A station would have to receive grants from the Corporation for Public Broadcasting. It would also have to meet the other requirements for a charitable exemption, qualifications such as being nonprofit.

H.B. 637

Author: Guillen

Amends/Enacts: §11.13 Tax Code; §42.2516 Education Code; §403.302

Government Code

Status: Passed by House Ways and Means Committee; pending in full House

H.J.R. 40

Author: Guillen

Amends/Enacts: Art. VIII, §1-b Texas Constitution

Status: Passed by House Ways and Means Committee; pending in full House

This proposed constitutional amendment and related bill would allow any taxing unit to give homestead exemptions in a fixed dollar amount to every residence homestead. The exemption could be any amount from \$5,000 to \$30,000. The exemption would be an alternative to a percentage exemption: a taxing unit could not adopt both. The decision would be made by the taxing unit's governing body. The provision giving a school district partial credit on its value studies for a percentage exemption would not apply to an exemption in a fixed amount. The State would not compensate a school district for any lost tax revenue.

H.B. 668

Author: Hopson

Amends/Enacts: §§11.13 and 11.26 Tax Code; §42.2511 Education Code; §403.302

Government Code

Status: Pending in House Ways and Means Committee

H.J.R. 41

Author: Hopson

Amends/Enacts: Art. VIII, § 1-b Texas Constitution

Status: Pending in House Ways and Means Committee

This proposed constitutional amendment and related bill would increase the general homestead exemption that applies to school districts from \$15,000 to \$30,000. Homeowners with tax freezes would have those freezes adjusted downward to reflect the increased exemption. The state would provide school districts with extra money to compensate them for the tax revenues lost as a result of the increased exemption.

H.B. 701

Author: Zerwas

Amends/Enacts: §§11.42, 11.43, 26.10 and 26.112 Tax Code

Status: Pending in House Ways and Means Committee

Under this bill general homestead exemptions would be treated more like homestead exemptions for senior citizens and the disabled. If a property qualified for a general homestead exemption after January 1, it would still receive the exemption for the entire year. The owner would have one year after the property qualified to file an exemption application. If someone moved from one homestead to another during a year and qualified the second homestead for the exemption, the exemption on the first homestead would be prorated based on when the owner moved.

This bill is also discussed under the headings *Appraisals*; *School Finance and Value Studies*; and *Miscellaneous*.

H.B. 731

Author: Herrero

Amends/Enacts: §§11.13 and 11.26 Tax Code; §42.2511 Education Code; §403.302 Government Code

Status: Pending in House Ways and Means Committee

H.J.R. 45

Author: Herrero

Amends/Enacts: Art. VIII, § 1-b Texas Constitution

Status: Pending in House Ways and Means Committee

This is another proposed constitutional amendment and related bill that would increase the general homestead exemption that applies to school districts from \$15,000 to \$45,000.

H.B. 742

Author: Flores

Amends/Enacts: §§11.131, 11.22 and 11. 43 Tax Code; §403.302 Government Code

Status: Passed by House Ways and Means Committee; pending in full House

Under this bill, a disabled veteran who received 100% disability compensation and had a 100% disability rating (or a determination of individual unemployability) would receive a total exemption for his residence homestead. This homestead exemption would be in addition to the current exemption for disabled veterans.

The bill would also adjust the amounts of exemptions available for veterans with different degrees of disabilities. This change would eliminate a discrepancy between the Tax Code and the Constitution.

H.B. 831

Author: Taylor

Amends/Enacts: §§11.18, 11.184 and 11.231 Tax Code

Status: Passed by House; pending in Senate Finance Committee

This bill would force all taxing units to recognize the exemption for primarily charitable organizations designated by the Comptroller. Taxing units would no longer have any options with respect to those exemptions. The primarily-charitable exemption would apply to property that was actually owned by a separate corporation if: 1) the corporation held title to the property for the benefit of the primarily charitable organization; and 2) the corporation was exempt from federal income taxation under § 501(c)(2) of the Internal Revenue Code; and 3) the property would qualify for the exemption if it were owned by the primarily charitable organization. Section 501(c) (2) applies to organizations that just hold property and collect income from the property for the benefit of other tax-exempt organizations. Both the primarily charitable organization and the corporation would have to be approved by the Comptroller.

This bill would also create an exemption for property owned by a “nonprofit community business organization providing economic development services to a local community.” An organization would have to have been in existence for at least five years. It would have to be organized as a nonprofit corporation and be exempt from federal income taxation. It would have to have at least fifty dues-paying members. Its board of directors would have to be unpaid and selected by its members. It could not be a statewide organization. The organization would have to engage primarily in one or more of the following functions: 1) promoting the common economic interests of commercial enterprises; 2) improving the business conditions of one or more types of businesses; and 3) providing services to aid in economic development. It would have to file an exemption application for the first year in which it sought the exemption.

This bill would also expand the list of functions that a charitable organization can perform. An organization could benefit disabled people by providing them training and employment in the production of commodities or in the provision of certain services. The bill would also make it clear that a charity that provides support to the elderly must do so without regard to the beneficiaries’ ability to pay.

H.B. 880

Author: Strama

Amends/Enacts: §11.34 Tax Code

Status: Pending in House Ways and Means Committee

H.J.R. 47

Author: Strama

Amends/Enacts: Art. VII, §2 Texas Constitution

Status: Pending in House Ways and Means Committee

This proposed constitutional amendment and related bill would exempt the amount of the appraised value of real or personal property that arises from the installation of an energy efficiency-related improvement permanently attached to or incorporated in the property.

H.B. 959

Author: Bonnen

Amends/Enacts: §11.13 Tax Code and §403.302 Government Code

Status: Pending in House Ways and Means Committee

H.J.R. 48

Author: Bonnen

Amends/Enacts: Art. VIII, §1-b Texas Constitution

Status: Pending in House Ways and Means Committee

Under this proposed constitutional amendment and related bill, a homeowner who was a volunteer firefighter or an EMS volunteer would receive a \$5,000 homestead exemption in addition to any homestead exemptions he was already receiving.

H.B. 1000

Author: Bolton

Amends/Enacts: §11.13 Tax Code; §42.2511 Education Code; §403.302 Government Code

Status: Pending in House Ways and Means Committee

H.J.R. 50

Author: Bolton

Amends/Enacts: Art. VIII, §§1-a and 1-b Texas Constitution

Status: Pending in House Ways and Means Committee

The general homestead exemption given by school districts would double from \$15,000 to \$30,000 in 2010. After that, the exemption for a particular homestead would increase from year to year in proportion to increases in the homestead's appraised value. For example, if the appraised value of a homestead increased by 8%, the amount of the homestead exemption would also increase by 8%. The same thing would happen to the homestead exemption that counties give with respect to their taxes for farm-to-market roads and flood control. The exemption would double for 2010 (from \$3,000 to \$6,000) and then adjust from year to year with the appraised value of the homestead. It is not clear what would happen to a homestead exemption when the appraised value of a homestead went down from one year to the next.

H.B. 1008

Author: Moody

Amends/Enacts: §11.13 Tax Code; §403.302 Government Code

Status: Pending in House Ways and Means Committee

This bill concerning homestead exemptions for totally disabled veterans is a companion to H.B. 62 discussed above.

H.B. 1037

Author: Paxton

Amends/Enacts: §§11.42, 26.10, 26.1115 and 26.12 Tax Code

Status: Passed by House Ways and Means Committee; pending in full House

If a senior citizen or disabled person qualified a property as his homestead at any time during a year, he would receive not only the full amount of the homestead exemptions for the disabled and senior citizens, he would also receive the full amount of any applicable general homestead exemptions. If a senior citizen moved and established a second homestead during a year, only the senior citizen's exemptions on the first homestead would be reduced, not the general homestead exemptions.

If someone under 65 acquired a property and qualified it as his homestead during a year (and the property had not qualified as someone else's homestead earlier in the same year), the property could receive prorated homestead exemptions for that year.

H.B. 1127

Author: Heflin

Amends/Enacts: §312.402

Status: Pending in House Ways and Means Committee

In a reinvestment zone created by a county, the County Commissioners could enter a tax-abatement agreement with the owner or *lessee* of real property or *the owner of taxable personal property*, or both.

H.B. 1132

Author: McReynolds

Amends/Enacts: §11.22 Tax Code

Status: Pending in House Ways and Means Committee

The bill would adjust the amounts of exemptions available for veterans with different degrees of disabilities. For example, a \$10,000 exemption would require a 50% disability rating, not 51%. This change would eliminate a discrepancy between the Tax Code and the Constitution.

H.B. 1155

Author: McReynolds

Amends/Enacts: §§11.22, 11.42, 26.114 and 26.115 Tax Code

Status: Pending in House Ways and Means Committee

This bill concerns disabled veteran who applies his disabled veteran's exemption to his homestead and then moves to a new homestead during the course of a tax year. He could request a mid-year transfer of his disabled veteran's exemption to the new homestead. For that year, he would receive the full amount his disabled veteran's exemption on the new homestead *and* a prorated disabled veteran's exemption on his

old homestead. If the two homesteads were in different appraisal districts, the district granting the exemption for the new homestead would notify the district that appraised the old homestead so that that district could prorate the exemption.

H.B. 1172

Author: Martinez

Amends/Enacts: §11.13 Tax Code

Status: Pending in House Ways and Means Committee

H.J.R. 59

Author: Martinez

Amends/Enacts: Art. VIII, §1-b Texas Constitution

Status: Pending in House Ways and Means Committee

Under this proposed constitutional amendment and related bill, a disabled veteran with a disability rating of less than 100% would receive an exemption of a percentage of his homestead's appraised value equal to his disability rating (e.g., a veteran with a 50% disability rating would have 50% of the appraised value of his homestead exempted).

H.B. 1269

Author: Hughes

Amends/Enacts: §§ 11.184 Tax Code

Status: Pending in House Ways and Means Committee

This bill would force all taxing units to recognize the exemption for primarily charitable organizations designated by the Comptroller. Taxing units would no longer have any options with respect to those exemptions.

The primarily-charitable exemption would apply to property that was actually owned by another organization if: 1) the other organization held title to the property for the benefit of the primarily charitable organization; and 2) the other organization was exempt from federal income taxation under § 501(c)(2) of the Internal Revenue Code; and 3) the property would qualify for the exemption if it were owned by the primarily charitable organization. Section 501(c)(2) applies to organizations that just hold property and collect income from the property for the benefit of other tax-exempt organizations. Both the primarily charitable organization and the other organization would have to be approved by the Comptroller.

H.B. 1292

Author: Eiland

Amends/Enacts: §§11.13, 11.42, 11.42, 26.10 and 26.1125 Tax Code; §403.302 Government Code

Status: Pending in House Ways and Means Committee

H.J.R. 64

Author: Eiland

Amends/Enacts: Art. VIII, §1-b Texas Constitution

Status: Pending in House Ways and Means Committee

This proposed constitutional amendment and related bill would give taxing units the option of completely exempting homesteads belonging to National-Guard members or reservists on active duty. A taxing unit could adopt the exemption through either an action by its governing body or through an election (required if petitions were signed by 20% of the number of voters who voted in the taxing unit's "preceding election"). In order to receive the exemption, a person would have to be on active duty during a war or national emergency and stationed at least sixty miles away from home for at least six months. A person claiming the exemption would have to file an application with the appraisal district. If the person did not qualify for the exemption during all of a year, the exemption would be prorated to reflect the time that he qualified.

H.B. 1302

Author: Frost

Amends/Enacts: §312.002 Tax Code; §403.302 Government Code

Status: Pending in House Ways and Means Committee

In certain counties in far-East Texas, school districts could grant tax abatements for property that was formerly part of a closed military base or facility.

H.B. 1328

Author: McClendon

Amends/Enacts: §11.27 Tax Code

Status: Passed by House Ways and Means Committee; pending in full House

If a homeowner installed a solar or wind-powered energy device on his homestead property, he would have to file an exemption application in only the first year that he sought an exemption for the device. He would no longer have to apply each year.

H.B. 1337

Author: Hilderbran

Amends/Enacts: §11.43 Tax Code

Status: Passed by House Ways and Means Committee; pending in full House

A person filing a homestead exemption application would have to include copies of: 1) his driver's license or state-issued identification card; and 2) a vehicle registration receipt. The addresses on those two items would have to match each other and match the address of the property for which the exemption was being sought. Apparently, someone who did not own a vehicle would be unable to claim a homestead exemption.

H.B. 1403

Author: Villarreal

Amends/Enacts: Chapter 111, Subchapter F, Tax Code

Status: Passed by House Ways and Means Committee; pending in full House

The Tax Code provision referenced above applies to certain large property owners who receive tax abatements from other taxing units but not from school districts. The state

gives these property owners money to make up for the lack of school-tax abatements. This bill would repeal the law and end this program.

H.B. 1575

Author: Isett

Amends/Enacts: §§11.42, 11.431 and 26.112 Tax Code

Status: Pending in House Ways and Means Committee

This bill would make general homestead exemptions more similar to senior citizens' exemptions. If a property qualified for a homestead exemption at any time during a year, it would receive the full amount of the exemption for that year. A property owner could apply for a homestead exemption at any time before the end of the fifth year following the year in question. The bill, however, contains some odd restrictions on a property owner's right to receive tax refunds resulting from retroactive homestead exemptions. This bill is also discussed under the headings *Appraisals*, *Appraisal Districts and ARBs*, *Appraisal District Litigation and Arbitration*, and *Assessment*.

H.B. 1585

Author: Rose

Amends/Enacts: §11.13 Tax Code and §403.302 Government Code

Status: Pending in House Ways and Means Committee

H.J.R. 68

Author: Rose

Amends/Enacts: Art. VIII, §1-b Texas Constitution

Status: Pending in House Ways and Means Committee

Under this proposed constitutional amendment and related bill, a homeowner who was a volunteer firefighter, an EMS volunteer or a foster parent would receive a \$5,000 homestead exemption in addition to any homestead exemptions he was already receiving.

H.B. 1605

Author: Swinford

Amends/Enacts: §312.402

Status: Pending in House Ways and Means Committee

A county's commissioners could enter a tax-abatement agreement with an owner of tangible personal property to exempt all or part of the value of the personal property, the real property where it was located, or both. The commissioners could give an abatement to a lessee of real property for the lessee's personal property, for real property owned by the lessee (such as fixtures or improvements), or for both. They could also give an abatement to someone who held a taxable leasehold in tax-exempt real property. That abatement could apply to the taxable leasehold interest itself or to real or personal property owned by the lessee. A county's abatement agreement could contain a provision deferring the effective date of the abatement.

H.B. 1661

Author: King

Amends/Enacts: §11.13, 11.42, 11.43, 26.10 and 26.1125 Tax Code; §403.302 Government Code

Status: Pending in House Ways and Means Committee

H.J.R. 69

Author: King

Amends/Enacts: Art. VIII, §1-b Texas Constitution

Status: Pending in House Ways and Means Committee

This proposed constitutional amendment and related bill would exempt \$60,000 of the value of a homestead belonging to a member of the armed forces or a reservist or National-Guard member on active duty. A person claiming the exemption would have to file an application and affidavit with the appraisal district. If the owner did not qualify for the exemption during all of a year, the exemption would be prorated to reflect the time that the owner qualified.

H.B. 1726

Author: Chavez

Amends/Enacts: §11.253 Tax Code

Status: Pending in House Ways and Means Committee

In order to qualify for the goods-in-transit exemption, goods would have to be stored under a contract of bailment by a public warehouse operator in public warehouse facilities that were not in any way owned or controlled by the owner of the goods. The exemption would no longer apply to goods detained for manufacturing, processing or any purpose other than storage. Taxing units that have already opted out of the goods-in-transit exemption would have to opt out again in order to continue taxing the goods after 2009.

H.B. 1751

Author: Leibowitz

Amends/Enacts: §§11.34 and 11.43 Tax Code

Status: Pending in House Ways and Means Committee

H.J.R. 72

Author: Leibowitz

Amends/Enacts: Art. VIII, §2 Texas Constitution

Status: Pending in House Ways and Means Committee

This proposed constitutional amendment and related bill would exempt the amount of the appraised value of real property that arises from the installation or construction of a renewable energy device, structure, facility or system on the property. The property would have to be either agricultural (but not wildlife-management) land or residential property with no more than four dwelling units. The energy generated would have to be

used in connection with the property. The Comptroller would write rules for the exemption with assistance from State Energy Conservation Office.

H.B. 1816

Author: Rose

Amends/Enacts: §11.32 Tax Code

Status: Pending in House Ways and Means Committee

H.J.R. 74

Author: Rose

Amends/Enacts: Art. VIII, §1-m Texas Constitution

Status: Pending in House Ways and Means Committee

This proposed constitutional amendment and related bill concerning exemptions for brush-control measures, water desalination, etc. are companions to H.B. 225 and H.J.R. 25 discussed above.

H.B. 1818

Author: Rose

Amends/Enacts: §11.32 Tax Code

Status: Pending in House Ways and Means Committee

This bill contains exemptions for brush-control measures, water desalination, etc. that are identical to those found in H.B. 225 and H.B. 1816 discussed above. It also contains several non-tax provisions related to water conservation.

H.B. 1842

Author: Frost

Amends/Enacts: §312.002 Tax Code; §403.302 Government Code

Status: Pending in House Ways and Means Committee

In certain counties in far-East Texas, school districts could grant tax abatements for property that was formerly part of a closed military base or facility. The bill is a companion to H.B. 1302.

H.B. 1936

Author: Villarreal

Amends/Enacts: §§11.13 and 25.23 Tax Code

Status: Passed by House Ways and Means Committee; pending in full House

H.J.R. 75

Author: Villarreal

Amends/Enacts: Art. VIII, §1-b Texas Constitution

Status: Passed by House Ways and Means Committee; pending in full House

A city could adopt a partial exemption for homesteads that met energy efficiency standards prescribed by the city council.

H.B. 2284

Author: Rodriguez

Amends/Enacts: §11.1825

Status: Passed by House; pending in Senate Finance Committee

This bill would make it clear that the low-income housing exemption can apply to rental housing “regardless of whether the housing project consists of multi-family or single-family dwellings.” An appraisal district appraising qualified low-income housing would have to use the income approach regardless of whether the district’s appraisers considered it to be the most appropriate approach.

H.B. 2420

Author: McClendon

Amends/Enacts: §§11.34 and 11.43 Tax Code

Status: Pending in House Ways and Means Committee

H.J.R. 82

Author: McClendon

Amends/Enacts: Art. VIII, §1-p Texas Constitution

Status: Pending in House Ways and Means Committee

This proposed constitutional amendment and related bill would create a tax exemption for high-speed passenger rail facilities. The exemption would extend to virtually all real and personal property associated with such facilities.

H.B. 2460

Author: Harper-Brown

Amends/Enacts: §11.20 Tax Code

Status: Pending in House Ways and Means Committee

A church would receive an exemption for a residence that was vacant if, immediately prior to its becoming vacant, the residence had been used for the church’s clergy.

H.B. 2811

Author: Hardcastle

Amends/Enacts: §§312.404, 313.007 and 313.021 Tax Code

Status: Passed by House Energy Resources Committee; pending in full House

If a county signed an agreement granting a tax abatement for an “advanced clean energy project” in a reinvestment created by the county, the agreement could delay the effective date of the abatement. The abatement could last up to ten years following the delayed effective date. This bill is also discussed under the heading *Appraisals*.

H.B. 2828

Author: Menendez

Amends/Enacts: §§11.182, 11.1825, 11.1826 and 23.215 Tax Code

Status: Passed by House; pending in Senate Finance Committee

This bill concerns the exemption for community housing development organizations. It would change some confusing language in the current law concerning whether a CHDO has to actually own a property or just have some minor connection with the owner. The bill would apply the exemption to a property not owned by a CHDO provided that: 1) the owner was a limited partnership and a CHDO owned or controlled 100% of the interest in the general partner; or 2) the owner was 100% owned or controlled by a CHDO. It would not matter when the improvements were built. The bill would also relax the ownership requirements that apply under the other exemption for low-income housing, §11.1825. The qualifying non-profit organization would not have to own the property or even be the parent of the owner. It would only have to “control” the parent of the owner. An independent audit presented to an appraisal district would be binding on the district if it concluded that the requirements for either of the low-income housing exemptions were met. This bill is also discussed under the heading *Appraisals*.

H.B. 2836

Author: Marquez

Amends/Enacts: §11.18 Tax Code

Status: Pending in House Ways and Means Committee

The list of functions that a tax-exempt charitable organization can perform would be expanded to include protecting land chosen for its natural and cultural value.

H.B. 2865

Author: Strama

Amends/Enacts: §11.18 Tax Code

Status: Pending in House Ways and Means Committee

The list of functions that a tax-exempt charitable organization can perform would be expanded to include providing access to affordable financial products and services for low-income people and underserved communities, including mortgage financing, flexible underwriting and commercial loans and investments. An organization performing this function would have to be a certified community development financial institution.

H.B. 2897

Author: Rodriguez

Amends/Enacts: §§11.49, 11.50 and 11.51 Tax Code; §41.005 Property Code

Status: Pending in House Ways and Means Committee

Someone offering to prepare or file a homestead exemption application in exchange for a fee would have to include a written disclaimer in any written advertisement. The disclaimer would explain that a person who receives a homestead tax exemption automatically designates the exempt property as his homestead for purposes of protecting it from his creditors. A person could not receive a fee for preparing or filing a homestead exemption application within one year after the homeowner acquired the homestead. After that, a fee could be charged, but it could not exceed 50% of the

amount of the homeowner's tax refund. A person could not charge a fee for helping a homeowner establish a creditor-protection homestead unless the person did so by filing a homestead tax-exemption application under the rules described above. A homeowner could sue someone who violated these rules and recover his actual damages plus his attorney's fees and a civil penalty of \$1,000.

H.B. 2934

Author: Vaught

Amends/Enacts: §11.13 Tax Code; §403.302 Government Code

Status: Pending in House Ways and Means Committee

H.J.R. 92

Author: Vaught

Amends/Enacts: Art. VIII, §1-b Texas Constitution

Status: Pending in House Ways and Means Committee

This proposed constitutional amendment and related bill would give a member of the armed forces or a reservist or National-Guard member a homestead exemption of \$750 for each month that he had served in a combat zone or hostile-fire or eminent-danger pay zone during the preceding ten years. Each \$750 exemption could be used in only one tax year. A person claiming the exemption would have to file an application with the appraisal district.

H.B. 2980

Author: Hilderbran

Amends/Enacts: §§11.182 and 23.215 Tax Code

Status: Passed by House Ways and Means Committee; pending in full House

This bill concerning low-income housing is a companion to H.B. 2828 discussed above. This bill is also discussed under the heading *Appraisals*.

H.B. 3104

Author: Paxton

Amends/Enacts: §§11.182, 11.1826, 11.43 and 23.215 Tax Code

Status: Passed by House Ways and Means Committee; pending in full House

This bill concerns exemptions for low-income housing. It would change some confusing language in the current law concerning whether a CHDO has to actually own a property or just have some minor connection with the owner. The bill would apply the exemption to a property not owned by a CHDO provided that: 1) the owner was a limited partnership and a CHDO owned or controlled 100% of the interest in the general partner; or 2) the owner was 100% owned or controlled by a CHDO. It would not matter when the improvements were built. A property owner receiving the other exemption for low-income housing (§11.1825) would not have to reapply for the exemption every year. An independent audit done by a CPA and presented to an appraisal district would be binding on the district if it concluded unqualifiedly that the requirements for either of the

low-income housing exemptions were met. This bill is also discussed under the heading *Appraisals*.

H.B. 3133

Author: Gallego

Amends/Enacts: §11.18 Tax Code

Status: Passed by House Ways and Means Committee; pending in full House

This bill would expand the list of functions that a charitable organization can perform. An organization could benefit disabled people by providing them training or employment in the production of commodities or in the provision of certain services.

H.B. 3164

Author: Davis

Amends/Enacts: §§11.182 and 11.1825 Tax Code

Status: Pending in House Ways and Means Committee

A community housing development organization (CHDO) would no longer have to engage *exclusively* in building, repairing selling or renting housing to low-income or moderate-income people. Any engagement in those activities would allow a CHDO to claim an exemption. The CHDO would not even have to own the property. The owner could be: 1) a limited partnership with a CHDO owning or “controlling” 100% of the interest in the general partner; or 2) some other type of entity with the CHDO owning or “controlling” 100% of the interest in the entity. The exemption would apply regardless of the age of the property. These liberalized ownership requirements already apply to the low-income housing exemption found in §11.1825, but that section would be liberalized even more. The non-profit organization that qualified for the exemption would not have to own the property or even *be* the parent of the owner; it would merely have to “control” the parent of the owner.

H.B. 3210

Author: Edwards

Amends/Enacts: §11.20 Tax Code

Status: Pending in House Ways and Means Committee

This bill would extend the time that a church could receive an exemption for land held for future use as a place of worship. The exemption could last up to ten years for land contiguous to an existing place of worship and five years for land located elsewhere.

H.B. 3248

Author: Cohen

Amends/Enacts: §11.211 Tax Code

Status: Pending in House Ways and Means Committee

H.J.R. 100

Author: Cohen

Amends/Enacts: Art. VIII, §2 Texas Constitution

Status: Pending in House Ways and Means Committee

This proposed constitutional amendment and related bill would exempt real property leased to a school regardless of who owned the property. The property would have to be used for education, and the school would have to own some “building or facility” on the property. The rent over some unspecified period of time could not be more than 1% of the property’s market value.

H.B. 3699

Author: Isett

Amends/Enacts: §§11.31 and 26.045 Tax Code

Status: Passed by House Ways and Means Committee; pending in full House

This bill concerns the TCEQ’s list of pre-approved items that qualify for pollution-control exemptions. Under current law, that list must include property used to capture carbon in the event that the EPA declares carbon dioxide to be a pollutant. Under this bill, the classification of carbon dioxide as a pollutant could be done by any state or federal governmental entity. Property would qualify for the exemption if it were used to capture *or transport* carbon. In order to qualify, the property would have to be placed into service after September 1, 2009.

H.B. 3965

Author: Dunnam

Amends/Enacts: §§11.112 and 11.43 Tax Code

Status: Passed by House Ways and Means Committee; pending in full House

This bill would exempt real and personal property used in connection with the manufacture or production of a product or the provision of a service that prevented monitored, controlled or reduced pollution. The property owner would have to have a contract with a governmental entity under which it captured or converted waste, including gas, from the public property. The waste would have to be: 1) delivered to a common carrier “to displace a natural resource;” or 2) used to generate useful energy for the governmental entity.

H.B. 3966

Author: Dunnam

Amends/Enacts: §26.1125 Tax Code

Status: Pending in House Ways and Means Committee

A person who acquired a homestead after January 1 but before October 1 of a year could receive a prorated general homestead exemption for that year. A person who acquired a homestead during the first quarter of the year would receive three-quarters of the homestead exemption, a person who acquired a homestead during the second quarter of the year would receive one-half of the exemption and a person who acquired a homestead during the third quarter of the year would receive three-quarters of the exemption. A person claiming the prorated exemption would have to file his exemption application within one year after he acquired the property.

H.B. 4070

Author: Gonzales Toureilles

Amends/Enacts: §11.161 Tax Code

Status: Passed by House Ways and Means Committee; pending in full House

An aircraft used exclusively in agricultural operations would be exempted as an implement of husbandry.

H.B. 4072

Author: Chavez

Amends/Enacts: §312.4012

Status: Pending in House Pensions and Investments Committee

This bill would authorize the Finance Commission to create “banking development districts.” Land in a banking development district would automatically be in a reinvestment zone for purposes of tax abatements.

H.B. 4232

Author: Ritter

Amends/Enacts: §11.31 Tax Code

Status: Pending in House Ways and Means Committee

This bill would make it clear that the pollution-control exemption does not apply to property used for the production of goods or the provision of services.

H.B. 4509

Author: Coleman

Amends/Enacts: §11.1801 Tax Code

Status: Pending in House Ways and Means Committee

The exemption for charitable hospitals would be extended to real property that a hospital intended to use for charitable purposes in the future. In order to claim this intent-based exemption, a hospital would have to have it approved annually by the Department of State Health Services. A determination by the Department could be appealed (by either the hospital or the appraisal district) to the executive commissioner of the Health and Human Services Commission. A final decision by the State authorities, however, would be binding on the appraisal district.

H.B. 4592

Author: Ritter

Amends/Enacts: §11.211 Tax Code

Status: Pending in House Ways and Means Committee

H.J.R. 3

Author: Ritter

Amends/Enacts: Art. VIII, §2 Texas Constitution

Status: Pending in House Ways and Means Committee

This proposed constitutional amendment and related bill would exempt real property leased to a school regardless of who owned the property. The property would have to be used for education, and the owner would have to pass his tax savings along to the school in the form of reduced rent.

H.B. 4614

Author: Oliveira

Amends/Enacts: §§11.1827, 11.1828, 11.43 and 23.21 Tax Code; Chapter 373B Local Government Code

Status: Pending in House Ways and Means Committee

This bill would allow a city or county to create a “community land trust,” a nonprofit organization that would acquire and hold land for the purpose of developing affordable housing. Any taxing unit could adopt an exemption for properties owned by community land trusts for the purpose of selling or leasing housing units to qualified low-income people. If adopted by a taxing unit, the exemption would also apply to a trust’s administrative offices. This bill is also discussed under the heading *Appraisals*.

H.B. 4697

Author: Olivo

Amends/Enact: §§11.13, 11.42, 26.112 and 33.01 Tax Code

Status: Pending in House Ways and Means Committee

H.J.R. 6

Author: Olivo

Amends/Enacts: Art. VIII, §1-b Texas Constitution

Status: Pending in House Ways and Means Committee

Senior citizens with homesteads located in fresh water supply districts would receive \$100,000 homestead exemptions for purposes of those districts’ taxes. The exemptions would be in addition to any other homestead exemptions that the senior citizens might receive.

H.J.R. 141

Author: Coleman

Amends/Enacts: Art. VIII, §1-c Texas Constitution

Status: Pending in House Ways and Means Committee

This proposed constitutional amendment would allow the legislature to exempt for up to five years solar panels installed on a home or business. The installation of solar panels could not increase the taxable value of a property.

S.B. 192

Author: Shapleigh

Amends/Enacts: §11.13 Tax Code; §403.302 Government Code

Status: Pending in Senate Finance Committee

This bill concerning homestead exemptions for totally disabled veterans is a companion to H.B. 62 and H.B. 1008 discussed above.

S.B. 469

Author: Carona

Amends/Enacts: §§11.131, 11.22 and 11.43 Tax Code; §403.302 Government Code

Status: Passed by Senate; passed by House Ways and Means Committee; pending in full House

Under this bill, a disabled veteran who received 100% disability compensation and had a 100% disability rating (or a determination of individual unemployability) would receive a total exemption for his residence homestead. This homestead exemption would be in addition to the current exemption for disabled veterans.

The bill would also adjust the amounts of exemptions available for veterans with different degrees of disabilities. This change would eliminate a discrepancy between the Tax Code and the Constitution.

S.B. 475

Author: Wentworth

Amends/Enacts: §§ 11.184, 11.231 and 11.42 Tax Code

Status: Passed by Senate; amended version passed by House Ways and Means Committee; pending in full House

This bill would force all taxing units to recognize the exemption for primarily charitable organizations designated by the Comptroller. Taxing units would no longer have any options with respect to those exemptions.

The primarily-charitable exemption would apply to property that was actually owned by a separate corporation if: 1) the corporation held title to the property for the benefit of the primarily charitable organization; and 2) the corporation was exempt from federal income taxation under § 501(c)(2) of the Internal Revenue Code; and 3) the property would qualify for the exemption if it were owned by the primarily charitable organization. Section 501(c) (2) applies to organizations that just hold property and collect income from the property for the benefit of other tax-exempt organizations. Both the primarily charitable organization and the corporation would have to be approved by the Comptroller.

An amendment to the bill would also create an exemption for property owned by a “nonprofit community business organization providing economic development services to a local community.” This is the same exemption described in H.B. 831 discussed above.

The House version adds total exemption for the homestead of a totally disabled veteran and an exemption for the administrative offices of a CHDO. It would expand the list of functions that a charitable organization can perform. An organization could benefit disabled people by providing them training and employment in the production of commodities or in the provision of certain services. The House version would also make

it clear that a charity that provides support to the elderly must do so without regard to the beneficiaries' ability to pay.

S.B. 564

Author: Jackson

Amends/Enacts: §§11.231 and 11.42 Tax Code

Status: Pending in Senate Finance Committee

This bill would create an exemption for property owned by a “nonprofit community business organization providing economic development services to a local community.” It is a companion to H.B. 831 discussed above.

S.B. 744

Author: Wentworth

Amends/Enacts: §§11.182 and 11.1825 Tax Code

Status: Pending in Senate Finance Committee

This bill concerning low-income housing is a companion to H.B. 3164 discussed above.

S.B. 756

Author: Eltife

Amends/Enacts: §312.002 Tax Code; §403.302 Government Code

Status: Pending in Senate Finance Committee

In certain counties in far-East Texas, school districts could grant tax abatements for property that was formerly part of a closed military base or facility. The bill is a companion to H.B. 1302 and H.B. 1842.

S.B. 770

Author: Williams

Amends/Enacts: §11.43 Tax Code

Status: Pending in Senate Finance Committee

A property owner who applied for and received a goods-in-transit exemption in one year would not have to reapply in subsequent years. The bill does not explain how an appraisal district would know how many of the owner's goods qualified for the exemption without the benefit of an application form.

S.B. 825

Author: Ellis

Amends/Enacts: §312.4012 Tax Code; §297.201 Finance Code

Status: Passed by Senate Business and Commerce Committee; pending in full Senate

This bill would authorize the Finance Commission to create “banking development districts.” Land in a banking development district would automatically be in a reinvestment zone for purposes of certain tax abatements. Taxing units could enter

abatement agreements with financial institutions that owned property in a banking development district.

S.B. 832

Author: Wentworth

Amends/Enacts: §11.27 Tax Code

Status: Pending in Senate Finance Committee

This bill concerning solar and wind-powered energy devices is a companion to H.B. 1328 discussed above.

S.B. 947

Author: Duncan

Amends/Enacts: §11.253 Tax Code

Status: Passed by Senate; passed by House Ways and Means Committee; pending in full House

In order to qualify for the goods-in-transit exemption, goods would have to be stored under a contract of bailment by a public warehouse operator in public warehouse facilities that were not in any way owned or controlled by the owner of the goods. The exemption would no longer apply to goods detained for manufacturing, processing or any purpose other than storage. Taxing units that have already opted out of the goods-in-transit exemption would have to opt out again in order to continue taxing the goods after 2009.

S.B. 966

Author: Ellis

Amends/Enacts: Chapter 111, Subchapter F, Tax Code

Status: Pending in Senate Finance Committee

This bill concerning state funds for property owners who receive tax abatements from other taxing units but not from school districts is a companion to H.B. 1403 discussed above.

S.B. 1151

Author: Hinojosa

Amends/Enacts: §11.13 Tax Code

Status: Pending in Senate Finance Committee

S.J.R. 32

Author: Hinojosa

Amends/Enacts: Art. VIII, §1-b Texas Constitution

Status: Pending in Senate Finance Committee

The maximum percentage of homestead values that a taxing unit could exempt from taxation would be raised from 20% to 30%.

S.B. 1159

Author: Carona

Amends/Enacts: §§11.131, 11.22, 11.43 and 11.431 Tax Code; §403.303

Government Code

Status: Pending in Senate Finance Committee

S.J.R. 33

Author: Carona

Amends/Enacts: Art. VIII, §1-b Texas Constitution

Status: Pending in Senate Finance Committee

Under this proposed constitutional amendment and related bill, a disabled veteran with 100% disability compensation and a 100% disability rating would receive a total exemption for his residence homestead. This homestead exemption would be in addition to the current exemption for disabled veterans. If the disabled veteran died, his surviving spouse or minor children could inherit the exemption.

The bill would also adjust the amounts of exemptions available for veterans with different degrees of disabilities. This change would eliminate a discrepancy between the Tax Code and the Constitution.

S.B. 1205

Author: West

Amends/Enacts: §§11.1827, 11.1828, 11.43 and 23.21 Tax Code; Chapter 373B

Local Government Code

Status: Passed by Senate; passed by House Ways and Means Committee; pending in full House

This bill would allow a city or county to create a “community land trust,” a nonprofit organization that would acquire and hold land for the purpose of developing affordable housing. Any taxing unit could adopt an exemption for properties owned by community land trusts for the purpose of selling or leasing housing units to qualified low-income people. If adopted by a taxing unit, the exemption would also apply to a trust’s administrative offices. This bill is also discussed under the heading *Appraisals*.

S.B. 1268

Author: Shapleigh

Amends/Enacts: §§11.13 and 11.22 Tax Code

Status: Pending in Senate Finance Committee

S.J.R. 34

Author: Shapleigh

Amends/Enacts: Art. VIII, §1-b Texas Constitution

Status: Pending in Senate Finance Committee

Under this proposed constitutional amendment and related bill, a disabled veteran with a service-connected disability and a 100% disability rating would receive a total exemption for his residence homestead. This homestead exemption would be in

addition to the current exemption for disabled veterans. If the disabled veteran died, his surviving spouse could inherit the exemption.

The bill would also adjust the amounts of exemptions available for veterans with different degrees of disabilities. This change would eliminate a discrepancy between the Tax Code and the Constitution.

S.B. 1272

Author: Carona

Amends/Enacts: §§11.34 and 11.43 Tax Code

Status: Pending in Senate Finance Committee

S.J.R. 16

Author: Carona

Amends/Enacts: Art. VIII, §1-p Texas Constitution

Status: Pending in Senate Finance Committee

This proposed constitutional amendment and related bill would create a tax exemption for high-speed passenger rail facilities. They are companions to H.B. 2420 and H.J.R. 82 discussed above.

S.B. 1311

Author: Duncan

Amends/Enacts: § 312.402 Tax Code

Status: Passed by Senate; substitute passed by House Ways and Means Committee; pending in full House

A county's commissioners could enter a tax-abatement agreement with a lessee of real property in a reinvestment zone created by the county. The abatement could apply to all or a portion of the value of property owned by the lessee, located on the leased property and used for renewable electric energy generation.

The House version is essentially the same as H.B. 3896 discussed above.

S.B. 1591

Author: Ogden

Amends/Enacts: §11.181 Tax Code

Status: Passed by Senate Finance Committee; pending in full Senate

A property owned by Habitat for Humanity or a similar organization could receive an exemption for up to five years instead of the three years allowed by current law.

S.B. 1852

Author: Van de Putte

Amends/Enacts: §§11.22, 11.42, 26.114 and 26.115 Tax Code

Status: Pending in Senate Finance Committee

This bill concerning disabled veteran's homesteads is a companion to H.B. 1155 discussed above.

S.B. 2111

Author: Averitt

Amends/Enacts: §§312.404, 313.007 and 313.021 Tax Code

Status: Passed by Senate; substitute passed by House Energy Resources Committee; pending in full House

If a county signed an agreement granting a tax abatement for an “advanced clean energy project” in a reinvestment created by the county, the agreement could delay the effective date of the abatement. The abatement could last up to ten years following the delayed effective date. This bill is also discussed under the heading *Appraisals*.

S.B. 2139

Author: Wentworth

Amends/Enacts: §§11.42, 26.10, 26.1115 and 26.12 Tax Code

Status: Pending in Senate Finance Committee

This bill concerning the homesteads of senior citizens and disabled homeowners is a companion to H.B. 1037 discussed above.

S.B. 2303

Author: Williams

Amends/Enacts: §§11.43, 11.253, 11.254 and 22.01 Tax Code

Status: Pending in Senate Finance Committee

Someone who received an exemption for a mixed-use vehicle would not have to reapply for the exemption in subsequent years unless the appraisal district specifically required him to do so. This bill is a companion to H.B. 2814 discussed above.

Appraisals

H.B. 2

Author: Otto

Amends/Enacts: §23.01 Tax Code

Status: Pending in House Ways and Means Committee

A residence homestead could be appraised solely on the basis of its value as a residence homestead, regardless of the property’s actual highest and best use. This bill is also discussed under the heading *Appraisal Districts and ARBs*.

H.B. 17

Author: Leibowitz

Amends/Enacts: §23.23 Tax Code

Status: Pending in House Ways and Means Committee

H.J.R. 12

Author: Leibowitz

Amends/Enacts: Art. VIII, §1 Texas Constitution

Status: Pending in House Ways and Means Committee

Under this proposed constitutional amendment and related bill, the cap on increases in the appraised values of homesteads would be reduced to 5% per year.

H.B. 46

Author: Riddle

Amends/Enacts: §§ 23.23 and 42.26 Tax Code

Status: Pending in House Ways and Means Committee

H.J.R. 15

Author: Riddle

Amends/Enacts: Art. VIII, § 1 Texas Constitution

Status: Pending in House Ways and Means Committee

Under this proposed constitutional amendment and related bill, county commissioners could hold a county-wide election asking voters to approve a cap of less than 10% on year-to-year increases in homestead values. The cap could be as low as 3% and would apply to all taxing units with territory in the county. A cap approved by the voters would remain in effect until it was repealed or amended by the voters in another election. If a taxing unit had territory in two counties and each county had a different cap on homestead values, the higher of those two caps would apply to that taxing unit's taxes on all of its homesteads.

H.B. 127

Author: Callegari

Amends/Enacts: §23.23 Tax Code

Status: Pending in House Ways and Means Committee

H.J.R. 21

Author: Callegari

Amends/Enacts: Art. VIII, §1 Texas Constitution

Status: Pending in House Ways and Means Committee

Under this proposed constitutional amendment and related bill, the cap on increases in the appraised values of homesteads would be reduced to 5% per year.

H.B. 133

Author: Villarreal

Amends/Enacts: Ch. 12A and §25.19 Tax Code

Status: Pending in House Ways and Means Committee

This bill would require most buyers of real property to report their purchase prices to appraisal districts. A buyer would have to report his purchase price on a form prescribed by the Comptroller and attach the form to his deed when he recorded it with the county

clerk. If the buyer recorded his deed without the disclosure form, the appraisal district would send him written notice of the disclosure requirement, and the buyer would have thirty days in which to comply. If he failed, he could be subjected to a civil penalty equal to 5% of the purchase price. The Attorney General or the county or district attorney would have to sue the buyer in order to recover the penalty.

The bill also provides that a sales-price disclosure “may not be used as the sole basis by the chief appraiser for increasing the appraised value” of the property. A property owner could sue an appraisal district for violating this provision, apparently without first filing a protest with the ARB. Information about this provision would be included on notices of appraised value.

H.B. 134

Author: Villarreal

Amends/Enacts: §§22.01, 22.42, 23.26 and 23.27 Tax Code

Status: Pending in House Ways and Means Committee

H.J.R. 22

Author: Villarreal

Amends/Enacts: Art. VIII, §1 Texas Constitution

Status: Pending in House Ways and Means Committee

When appraising a residence homestead, an appraisal district could consider only factors relating to its value as a residence homestead. The appraisal district would have to assume that the property’s highest and best use was as a residence homestead.

The Comptroller would determine the capitalization rate(s) that appraisal districts would have to use when appraising business personal property using the income approach. The Comptroller could set different capitalization rates for different properties based on type and location.

If a property owner filed a rendition in which he estimated the value of his property using a capitalization rate, he would have to state that rate in the rendition. An appraisal district would have to report those rendered capitalization rates to the Comptroller by April 20 (a difficult task given that renditions do not have to be filed until May 15).

The reappraisal plan adopted by an appraisal district’s board of directors would have to provide that residence homesteads not be appraised more often than once every two years. This limitation would not apply to homesteads with capped values.

An owner could require the appraisal district to reappraise his homestead in any year by filing a written request with the appraisal district. That request could be filed anytime before the chief appraiser certified the appraisal roll.

This bill is also discussed under the headings *Appraisal Districts and ARBs; Appraisal District Litigation and Arbitration; Assessment; Collections; School Finance and Value Studies; and Miscellaneous.*

H.B. 500

Author: Kolkhorst

Amends/Enacts: §23.04 Tax Code

Status: Pending in House Ways and Means Committee

If an ARB or court reduced the appraised value of a residential or commercial real property by 15% or more, the appraisal district could not place a higher value on the property in either of the following two years.

H.B. 700

Author: Zerwas

Amends/Enacts: §23.23 Tax Code

Status: Pending in House Ways and Means Committee

H.J.R. 42

Author: Zerwas

Amends/Enacts: Art. VIII, §1 Texas Constitution

Status: Pending in House Ways and Means Committee

This is another proposed constitutional amendment and related bill that would lower the cap on increases in homestead values to 5% per year.

H.B. 701

Author: Zerwas

Amends/Enacts: §§1.12, 23.23 and 42.26 Tax Code; §403.302 Government Code

Status: Pending in House Ways and Means Committee

H.J.R. 43

Author: Zerwas

Amends/Enacts: Art. VIII, §1 Texas Constitution

Status: Pending in House Ways and Means Committee

Under this proposed constitutional amendment and related bill the cap on increases in the appraised values of homesteads would be expanded to apply to all real properties. This bill is also discussed under the headings *Exemptions*; *School Finance and Value Studies*; and *Miscellaneous*

H.B. 702

Author: Heflin

Amends/Enacts: §313.051 Tax Code

Status: Pending in House Ways and Means Committee

This bill concerns the authority of certain rural school districts to grant limitations on appraised values for purposes of economic development. The term “strategic investment area” was defined by reference to a franchise-tax statute that was repealed in 2007. This bill would make it clear that that definition continues in effect for property-tax purposes.

H.B. 711

Author: Rose

Amends/Enacts: §23.23 Tax Code

Status: Pending in House Ways and Means Committee

H.J.R. 44

Author: Rose

Amends/Enacts: Art. VIII, §1 Texas Constitution

Status: Pending in House Ways and Means Committee

This is another proposed constitutional amendment and related bill that would lower the cap on increases in homestead values to 5% per year.

H.B. 979

Author: Callegari

Amends/Enacts: §§1.12, 23.23 and 42.26 Tax Code; §403.302 Government Code

Status: Pending in House Ways and Means Committee

H.J.R. 49

Author: Callegari

Amends/Enacts: Art. VIII, §1 Texas Constitution

Status: Pending in House Ways and Means Committee

This is another proposed constitutional amendment and related bill that would expand the cap on increases in the appraised values of homesteads to apply to all real properties.

H.B. 1018

Author: Brown

Amends/Enacts: §23.23 Tax Code

Status: Pending in House Ways and Means Committee

H.J.R. 51

Author: Brown

Amends/Enacts: Art. VIII, §1 Texas Constitution

Status: Pending in House Ways and Means Committee

This is another proposed constitutional amendment and related bill that would lower the cap on increases in homestead values to 5% per year.

H.B. 1045

Author: Otto

Amends/Enacts: §25.19 Tax Code

Status: Pending in House Ways and Means Committee

A notice of appraised value would no longer have to state what the taxes would be on a property based on the preceding year's tax rates.

H.B. 1092

Author: Parker

Amends/Enacts: §§25.19, 26.09, 26.095 and 31.01 Tax Code

Status: Pending in House Ways and Means Committee

H.J.R. 55

Author: Parker

Amends/Enacts: Art. VIII, §25 Texas Constitution

Status: Pending in House Ways and Means Committee

Under certain circumstances, an owner of real property could choose to have his city and county taxes determined on the basis of his property's average taxable value over a five-year period. A county's commissioners' court would hold an election on the issue of allowing this option if it received petitions signed by voters whose numbers equaled at least 10% of the number who voted in the most recent gubernatorial election. If the measure were approved in the election, a property owner could choose the five-year average appraisal by filing a written request with the appraisal district. His request would apply to the current tax year and the four following years. In a year to which his request applied, the appraisal district would average the current taxable value of his property with the taxable values for the four preceding years. A property owner could opt out before the end of the five-year period, but he would have to pay back any taxes he had already saved as a result of his having chosen the five-year average appraisal.

H.B. 1106

Author: Bohac

Amends/Enacts: §§ 23.23 and 42.26 Tax Code

Status: Pending in House Ways and Means Committee

H.J.R. 56

Author: Bohac

Amends/Enacts: Art. VIII, § 1 Texas Constitution

Status: Pending in House Ways and Means Committee

Under this proposed constitutional amendment and related bill, the cap on increases in the appraised values of homesteads would be set at 5% per year for Harris County school districts. The governing body of another taxing unit in Harris County could adopt a 5% cap for that taxing unit.

H.B. 1211

Author: Howard

Amends/Enacts: §23.23 Tax Code

Status: Pending in House Ways and Means Committee

H.J.R. 61

Author: Howard

Amends/Enacts: Art. VIII, §1 Texas Constitution

Status: Pending in House Ways and Means Committee

This is another proposed constitutional amendment and related bill that would lower the cap on increases in homestead values to 5% per year.

H.B. 1221

Author: Howard

Amends/Enacts: §§25.19, 26.012, 26.04, 26.041, 26.043, 26.044, 26.0441, 26.05, 26.052 and 26.06 Tax Code

Status: Passed by House; pending in Senate Finance Committee

A notice of appraised value would no longer have to state what the taxes would be on a property based on the preceding year's tax rates. This bill is also discussed under the heading *Assessment*.

H.B. 1274

Author: Kolkhorst

Amends/Enacts: §§313.025, 313.026, 313.0265, 313.027, 313.0275, 313.028 and 313.103 Tax Code: §42.25151 Education Code

Status: Passed by House Ways and Means Committee; pending in full House

This bill concerns the value limitations granted by school districts for purposes of economic development. A school district would have to post an application for a value limitation and related information designated by the Comptroller on its website within 15 days after receiving the application or information and for at least as long as the limitation lasted. The Comptroller would also post applications and related information on her website. The bill would also restrict the types of information that could be considered confidential.

An economic impact evaluation from the Comptroller would have to include additional information such as the general nature of the proposed investment, the number of qualifying jobs to be created, the projected market value of the property and the projected future taxes on the property with and without the value limitation. A school district could approve an application only with the Comptroller's recommendation.

A limitation agreement would have to contain performance targets, including the number of qualifying jobs to be provided in each year. If the property owner failed to provide that number of jobs, taxing units would recapture some of their lost taxes. The agreement would also have to require annual progress reports from the property owner.

H.B. 1546

Author: Creighton

Amends/Enacts: §§ 23.23 and 42.26 Tax Code

Status: Pending in House Ways and Means Committee

H.J.R. 67

Author: Creighton

Amends/Enacts: Art. VIII, § 1 Texas Constitution

Status: Pending in House Ways and Means Committee

Under this proposed constitutional amendment and related bill, the Commissioners Court of Montgomery County could hold a county-wide election asking voters to approve a cap of less than 10% on year-to-year increases in homestead values. The

cap could be as low as 3% and would apply to all taxing units with territory in Montgomery County. A cap approved by the voters would remain in effect until it was repealed or amended by the voters in another election.

H.B. 1575

Author: Isett

Amends/Enacts: §§23.01 and 25.19 Tax Code

Status: Pending in House Ways and Means Committee

This bill would toss out the concept of highest and best use and require every real property to be appraised based solely on its current use.

An appraisal notice for any real property would have to include the following for the current year *and for each of the preceding five years*: 1) the appraised value of the property; and 2) the difference, expressed as a percentage increase or decrease, in the appraised value of the property compared to the appraised value of the property for the preceding year.

This bill is also discussed under the headings *Exemptions, Appraisal Districts and ARBs, Appraisal District Litigation and Arbitration, and Assessment*.

H.B. 1651

Author: Swinford

Amends/Enacts: §313.007 Tax Code; §403.302 Government Code

Status: Pending in House Ways and Means Committee

The statutes allowing school districts to limit appraised values for purposes of economic development are scheduled to expire on December 31, 2011. This bill would extend them through December 31, 2015.

H.B. 1756

Author: Eissler

Amends/Enacts: §§313.008, 313.025, 313.026 and 313.032 Tax Code

Status: Pending in House Ways and Means Committee

This bill concerns the limitations on appraised values that school districts can grant for purposes of economic development. The Comptroller's biennial reports to the legislature would include the following additional information: 1) the amounts of any payments made in lieu of school taxes by the recipients of these tax breaks; 2) the amount of the investment that each recipient estimated would be expended or allocated per project; and 3) the number of qualifying jobs that each recipient expected to create. School districts would have to assist the Comptroller with the collection of information, and recipients who did not cooperate in providing the information required by the Comptroller would be in violation of their agreements. When reviewing an application, the TEA would determine the local revenue gains or losses that would be realized by the school district and the likely impact on the district's state aid under the Foundation School Program.

If the Comptroller determined that a property was not eligible for the tax break, the school district could not grant it. But, If the school district were unhappy with the

Comptroller's determination, the district could have an administrative hearing with a right to appeal to a court.

H.B. 2016

Author: Villarreal

Amends/Enacts: Chapter 251 Agriculture Code

Status: Pending in House Agriculture Committee

Under the Agriculture Code, agricultural land may be exempt from certain local-government regulations. This bill would allow a city or county to require the owner of land appraised as open-space agricultural (1-d-1) land to sign an affidavit swearing that the land was used for agriculture. If the city or county later determined that the land had been converted to nonagricultural use, it could apply its regulations to the land retroactively for up to five past years. The owner would be entitled to notice of the determination and would have a right to protest the determination.

H.B. 2150

Author: Kleinschmidt

Amends/Enacts: §§ 23.51 and 23.522 Tax Code

Status: Pending in House Ways and Means Committee

Land could continue to be appraised as open-space agricultural land even if it ceased to be used principally for agriculture or ceased to be used to the degree of intensity generally accepted in the area, but its failure to meet those requirements could not last for more than two years. The land would have to meet those requirements in at least five of every seven years. Land could qualify as wildlife-management land without having previously been used for conventional agriculture.

H.B. 2257

Author: Giddings

Amends/Enacts: §12.0012 Property Code

Status: Pending in House Business and Industry Committee

This bill would require the disclosure of sales prices in transactions involving commercial property, multifamily residential property or vacant land. The sales price would have to be stated in a deed or other instrument in order for the document to be filed with the county clerk.

H.B. 2503

Author: Swinford

Amends/Enacts: §§313.007, 313.021, 313.024, 313.025, 313.027 and 313.051 Tax Code; §403.302 Government Code

Status: Pending in House Ways and Means Committee

This bill would make it clear that a school district can grant a limitation on the value of a property at the request of a lessee of the property or another person with a possessory interest in the property. A "qualifying job" would no longer have to pay 110% of the

average wage for a *manufacturing* job in the county. It would have to pay only 110% of the average wage in the county. The bill would define terms such as “manufacturing” and “research and development” with reference to the North American Industry Classification System. A school district granting a value limitation could agree to delay its effective date for up to five years.

H.B. 2363

Author: Villarreal

Amends/Enacts: §§5.05 and 5.08 Tax Code

Status: Passed by House Ways and Means Committee; pending in full House

The Comptroller would update an online general appraisal manual at least once every two years. The Comptroller would also identify effective Internet-based software and other electronic tools that could be used to improve the operations of appraisal districts and would make them available through her website for use by appraisal districts on a voluntary basis.

H.B. 2811

Author: Hardcastle

Amends/Enacts: §§312.404, 313.007 and 313.021 Tax Code

Status: Passed by House Energy Resources Committee; pending in full House

Beginning December 31, 2011, a school district could not agree to limit a property’s appraised value unless the property owner intended to use the property in connection with an “advanced clean energy project.” Personal property associated with such a project and placed in service in 2010 or later would qualify for a value limitation. For purposes of tax credits, the “qualifying time period” for an advanced clean energy project would be the first five tax years that began on or after the third anniversary of the date the school district approved the application for a value limitation unless the school district and property owner agreed to a shorter time period. This bill is also discussed under the heading *Exemptions*.

H.B. 2828

Author: Menendez

Amends/Enacts: §§11.182, 11.1826, 11.1826 and 23.215 Tax Code

Status: Passed by House; pending in Senate Finance Committee

This bill concerns the appraisal of certain low and moderate-income rental housing. The property would have to be owned for the purpose of renting dwelling units to tenants satisfying specific income-eligibility requirements. At least 50% of the total square footage of the units would have to be reserved for those tenants. These limitations would have to be stated in a restrictive covenant recorded with the county. An appraisal district would have to use the income approach to appraise such a property and would have to analyze the actual income and expenses of the property as reflected in its rent roll and statement of income and expenses. The district would have to make deductions for required replacement reserves, State franchise taxes and other fees imposed by governmental entities. In calculating a capitalization rate, the appraisal

district would have to adjust for the restrictions on tenants' incomes, restrictions on the transferability of the property, the regulatory burdens associated with the restrictive covenant on the property. The appraisal district would have to calculate the capitalization rate that it would use to appraise qualifying properties by January 1 of a tax year and post notice of that rate on its website.

This bill is also discussed under the heading *Exemptions*.

H.B. 2866

Author: Strama

Amends/Enacts: §§313.021, 313.024 and 313.029 Tax Code

Status: Pending in House Ways and Means Committee

This bill would expand the list of purposes for which property can be used in order to qualify for a value limitation from a school district. Property could be used for: 1) computer operations facilities; or 2) regional, national or global corporation headquarter operations. A qualifying job would have to pay at least the lesser of \$50,000 per year or 110% of the average manufacturing wage in the county.

H.B. 2980

Author: Hilderbran

Amends/Enacts: §§11.182 and 23.215 Tax Code

Status: Passed by House Ways and Means Committee; pending in full House

This bill concerning low-income housing is a companion to H.B. 2828 discussed above. This bill is also discussed under the heading *Exemptions*.

H.B. 3010

Author: Coleman

Amends/Enacts: §22.31 Tax Code

Status: Pending in House Ways and Means Committee

This bill would direct an appraisal district to examine the books and records of property owners in order to verify the accuracy of their renditions. An appraisal district would send a written notice to a property owner and the owner would have ten days to produce his books and records for inspection. If an appraisal district's investigation of a property owner turned up an omission of property or property value, the appraisal district could recapture the omitted property or value for up to five past years. The bill is awkwardly drafted, but it could be read so say that an appraisal district would request information from a property owner only once every three years.

H.B. 3104

Author: Paxton

Amends/Enacts: §§11.182, 11.1826, 11.43 and 23.215 Tax Code

Status: Passed by House Ways and Means Committee; pending in full House

This bill concerns the appraisal of certain low and moderate-income rental housing. The property would have to include a "development" as defined by §2306, Subchapter

DD of the Government Code (concerning low-income housing tax credits). Dwelling units would have to be rented or offered for rent to tenants satisfying income-eligibility requirements set out in the Government Code. Each spring, the property owner would give the appraisal district an audited statement of his property's income and expenses for the preceding year. The appraisal district would have to use the income approach to appraise such a property and would have to use the actual income and expenses of the property as reflected in the audited statement. The bill lists the expenses that the appraisal district would have to consider. The district would have to use a capitalization rate of at least 13.5% unless it had a study of comparable sales justifying a lower rate. The appraisal district would have to calculate the capitalization rate that it would use to appraise qualifying properties by January 31 of a tax year and post notice of that rate on its website.

This bill is also discussed under the heading *Exemptions*.

H.B. 3272

Author: Howard

Amends/Enacts: §23.825 Tax Code

Status: Pending in House Ways and Means Committee

Land would qualify as restricted-use recreational, park or scenic land if the restriction were stated in a probated will. The land would have to be at least five acres in size, and it would have to be open to the public.

H.B. 3383

Author: Coleman

Amends/Enacts: §23.56 Tax Code

Status: Pending in House Ways and Means Committee

Land would *not* qualify as open-space agricultural land if it were: 1) located inside a city; and 2) owned by a corporation, partnership, trust or other legal entity not engaged principally in agricultural production.

H.B. 3454

Author: Otto

Amends/Enacts: §§23.01, 23.013, 23.014, 23.24 and 23.522 Tax Code

Status: Passed by House; substitute passed by Senate; pending in conference committee

All available evidence that was specific to the value of a property would have to be taken into account in determining the property's market value. When appraising a property using the market approach, an appraisal district would have to consider only comparable sales that occurred within 24 months of the relevant appraisal date and make appropriate time adjustments to those sales. The comparability between a property that sold and the subject property would be determined with regard to location, square footage of the lot and improvements, age, condition, access, amenities, views, income, expenses, occupancy and the existence of easements, deed restrictions or other legal burdens affecting marketability.

The bill also contains a confusing provision that would apply to an instance in which an appraisal district was appraising real property using a method that took into account the value of related furniture, fixtures and equipment. Rather than separate the value of the personal property, the appraisal district would have to include it with the value of the real property. The bill would also repeal §23.014, which generally prohibits an appraisal district from combining the values of real and personal properties.

A temporary interruption in the agricultural use of open-space agricultural land would not cause the land to lose its agricultural appraisal if the interruption were necessitated by a drought declared by the Governor and if the owner intended to resume the agricultural use when the drought ended.

The Senate version provides that if a property's appraised value for a particular year were determined by a protest or appeal, the appraisal district could not raise that value in the next year unless an increase were reasonably supported by substantial evidence when all the reliable and probative evidence was considered.

The Senate version would also reduce the appraised values of oil and gas interests. An industry-dominated "Oil and Gas Valuation Advisory Committee" would determine the current calendar year statewide average prices for oil and gas using market-based data market-based methodology. Prices for future years would continue to be based on the Comptroller's estimates but could be more than two times the current year's price.

This bill is also discussed under the headings *Appraisal Districts and ARBs*, *Appraisal District Litigation and Arbitration* and *Assessment*.

H.B. 3779

Author: Howard

Amends/Enacts: §1.04 Tax Code

Status: Pending in House Ways and Means Committee

H.J.R. 121

Author: Howard

Amends/Enacts: Art. VIII, §1 Texas Constitution

Status: Pending in House Ways and Means Committee

Property could be reappraised only when its ownership changed or when it was "newly constructed." The Governor would appoint a board to make recommendations to the legislature concerning the consolidation of appraisal districts and county tax offices.

H.B. 3840

Author: Hilderbran

Amends/Enacts: §25.18 Tax Code

Status: Pending in House Ways and Means Committee

An appraisal district could not appraise any real property more often than once in any three-year period. The bill contains an exception that would allow a property to be appraised in a year immediately following a sale of that property.

H.B. 4038

Author: Merritt

Amends/Enacts: §§23.23 Tax Code
Status: Filed

H.J.R. 104

Author: Merritt

Amends/Enacts: Art VIII, §1 Texas Constitution

Status: Pending in House Ways and Means Committee

This proposed constitutional amendment and related bill would limit year-to-year increases in the appraised values of homesteads to the rate of inflation determined by the Comptroller. If a homestead changed hands, it could be appraised at its actual market value in the first year that it had a new owner. In subsequent years, any increases in its appraised value would be limited by the rate of inflation. The bill would also have an appraisal district reappraise all homesteads in the same year once every ten years. This bill is also discussed under the heading *Appraisal Districts and ARBs*.

H.B. 4039

Author: Villarreal

Amends/Enacts: §§22.28, 22.29 and 22.30 Tax Code

Status: Pending in House Ways and Means Committee

When a property owner failed to render his property, the appraisal district would send notice of the penalty by certified mail. If the property owner thought that the penalty was unjustified, he would not ask the chief appraiser to waive it. Instead, he would file a protest with the ARB. After the ARB conducted a hearing and issued an order determining the protest, the property owner could appeal that order to the district court. The appraisal district would not notify the taxing units about the penalty until the protest deadline had passed or the penalty had been upheld through the protest and appeal process. An appraisal district would no longer be entitled to keep any part of a rendition penalty, not even a penalty for rendition fraud.

H.B. 4375

Author: Ritter

Amends/Enacts: §§23.1241 and 23.1243 Tax Code

Status: Pending in House Ways and Means Committee

A dealer primarily in the business of renting or leasing heavy equipment could choose to not be subject to special-inventory taxes, at least on equipment rented or leased for less than one year. If a dealer chose, items subject to these short-term rentals or leases would apparently be appraised like ordinary personal property. It is not clear what would happen to other inventory that the dealer held. The dealer would apparently still have to make monthly prepayments of taxes into an escrow account. If a lease or rental agreement required the lessee or renter to pay taxes into escrow, it would have to state the amount and rate of the tax and the amount being escrowed.

H.B. 4496

Author: King

Amends/Enacts: §§21.02 and 21.022 Tax Code
Status: Pending in House Ways and Means Committee

A portable drilling rig and the equipment related to it would be taxable in the taxing units in which it was located on January 1 of the tax year. If a rig were actually being moved from place to place on January 1, it would be taxable at the location where it was loaded for transport.

H.B. 4614

Author: Oliveira

Amends/Enacts: §§11.1827, 11.1828, 11.43 and 23.21 Tax Code; Chapter 373B

Local Government Code

Status: Filed

This bill would allow a city or county to create a “community land trust,” a nonprofit organization that would acquire and hold land for the purpose of developing affordable housing. Any taxing unit could adopt an exemption for properties owned by community land trusts for the purpose of selling or leasing housing units to qualified low-income people. If land or housing units were leased to qualified low-income people but still taxed by some taxing units, the appraisal district appraising the property would have to take into account any restrictions on rents. If someone acquired a housing unit from a community land trust on land leased from the trust, the appraisal district appraising the unit would have to take into account any restrictions limiting the owner’s right to sell the unit. This bill is also discussed under the heading *Exemptions*.

S.B. 20

Author: Williams

Amends/Enacts: §6.41 Tax Code

Status: Passed by Senate; pending in House Ways and Means Committee

S.J.R. 48

Author: Williams

Amends/Enacts: Art. VIII, §§1 and 18 Texas Constitution

Status: Passed by Senate; pending in House Ways and Means Committee

A residence homestead could be appraised solely on the basis of its value as a residence homestead, regardless of the property’s actual highest and best use. This proposal would take effect only if the legislature appropriated the extra State aid that would be required if school districts lost taxable value.

This bill is also discussed under the headings *Appraisal Districts and ARBs, Appraisal District Litigation and Arbitration, Assessment, School Finance and Value Studies and Miscellaneous*.

S.B. 218

Author: Nichols

Amends/Enacts: §§23.23 and 42.26 Tax Code

Status: Pending in Senate Finance Committee

S.J.R. 10

Author: Nichols

Amends/Enacts:

Status: Pending in Senate Finance Committee

Under this proposed constitutional amendment and related bill, the cap on increases in the appraised values of homesteads would be reduced to 5% per year, and the legislature would have the power to impose an even lower cap. The commissioners of a county could hold a county-wide election asking voters to raise the cap on year-to-year increases in homestead values. The voter-approved cap could be as high as 10% per year and would apply to all taxing units in the county. A cap approved by the voters would remain in effect until it was repealed or amended by the voters in another election. Elections in a county would have to be at least ten years apart.

S.B. 276

Author: Patrick

Amends/Enacts: §§23.23 and 25.18 Tax Code; §403.302 Government Code

Status: Pending in Senate Finance Committee

This bill concerning reappraisals of residence homesteads is a companion to H.B. 209 described above.

S.B. 299

Author: Partick

Amends/Enacts: §23.23 Tax Code

Status: Pending in Senate Finance Committee

S.J.R. 13

Author: Patrick

Amends/Enacts: Art. VIII, §1 Texas Constitution

Status: Pending in Senate Finance Committee

The cap on increases in the appraised values of homesteads would be reduced to 5% per year.

S.B. 443

Author: Wentworth

Amends/Enacts: §23.12 Tax Code

Status: Pending in Senate Finance Committee

This bill would eliminate the provision that allows a developer's lots to be appraised together as an inventory.

S.B. 444

Author: Wentworth

Amends/Enacts: §12.0012 Property Code

Status: Pending in Senate Intergovernmental Relations Committee

This is another bill that would require buyers of real property to disclose their purchase prices. A buyer could not record his deed unless it stated the price of the property. If he did manage to record a deed that did not include the correct price, he could be subjected to a civil penalty equal to 5% of his purchase price. The Attorney General or the county or district attorney would have to sue the buyer in order to recover the penalty.

S.B. 700

Author: Patrick

Amends/Enacts: § 25.19 Tax Code

Status: Passed by Senate Finance Committee; pending in full Senate

An appraisal notice for any real property would have to include the following for the current year *and for each of the preceding five years*: 1) the appraised value of the property; and 2) the difference, expressed as a percentage increase or decrease, in the appraised value of the property compared to the appraised value of the property for the preceding year.

This bill is also discussed under the headings *Appraisal Districts and ARBs*, and *Assessment*.

S.B. 721

Author: Hegar

Amends/Enacts: § 23.04 Tax Code

Status: Pending in Senate Finance Committee

Under this bill, if a homeowner had the appraised value of his homestead reduced in one year by an ARB, by a court or by a settlement agreement with the appraisal district, the appraisal district could not increase the appraised value of the homestead in the next year. This rule would not apply if the reduction in value occurred in response to the property owner's unequal-appraisal complaint.

S.B. 856

Author: Hinojosa

Amends/Enacts: §313.007 Tax Code; §403.302 Government Code

Status: Pending in Senate Economic Development Committee

The statutes allowing school districts to limit appraised values for purposes of economic development are scheduled to expire on December 31, 2011. This bill would make them expire two years earlier.

S.B. 949

Author: Estes

Amends/Enacts: §§21.02 and 21.022 Tax Code

Status: Pending in Senate Finance Committee

This bill concerning the situs of portable drilling rigs is a companion to H.B. 4496 discussed above.

S.B. 951

Author: Shapleigh

Amends/Enacts: Chapter 23, Subchapter I, §§25.02, 25.22, 31.01 and 41.41 Tax Code; §403.302 Government Code

Status: Pending in Senate Finance Committee

This bill would create a complicated new tax break for certain historic properties. The governing body of a taxing unit could designate a class of historic properties as being eligible for the benefit. The owner of a property in the class could enter an agreement with the taxing unit requiring him to rehabilitate, monitor and maintain the property and to allow some opportunity for the public to see it. After rehabilitating the property, the owner would file an application with the appraisal district. He would have to show that his property was officially recognized as historic by one of several different authorities and that the cost of the rehabilitation was at least 25% of the appraised value of the property (excluding land) in the year before the rehabilitation began. The appraisal district would forward the application to the taxing unit for its approval or denial. If the application were approved, the appraisal district would subtract from the property's appraised value an amount equal to the costs of the rehabilitation. The benefit would last ten years. If the property ceased to qualify or if the owner breached his agreement with the taxing unit, a rollback tax would be assessed on the property. The Texas Historical Commission would create rules to govern this tax break.

S.B. 1205

Author: West

Amends/Enacts: §§11.1827, 11.1828, 11.43 and 23.21 Tax Code; Chapter 373B Local Government Code

Status: Passed by Senate; passed by House Ways and Means Committee; pending in full House

This bill would allow a city or county to create a "community land trust," a nonprofit organization that would acquire and hold land for the purpose of developing affordable housing. Any taxing unit could adopt an exemption for properties owned by community land trusts for the purpose of selling or leasing housing units to qualified low-income people. If land or housing units were leased to qualified low-income people but still taxed by some taxing units, the appraisal district appraising the property would have to take into account any restrictions on rents. If someone acquired a housing unit from a community land trust on land leased from the trust, the appraisal district appraising the unit would have to take into account any restrictions limiting the owner's right to sell the unit. This bill is also discussed under the heading *Exemptions*.

S.B. 1590

Author: Ogden

Amends/Enacts: §§313.008, 313.025, 313.026 and 313.032 Tax Code

Status: Pending in Senate Finance Committee

This bill concerning value limitations granted by school districts is a companion to H.B. 1756 discussed above.

S.B. 1593

Author: Seliger

Amends/Enacts: §§313.007, 313.021, 313.024, 313.025, 313.026, 313.0265, 313.027, 313.028 and 313.051 Tax Code: §403.302 Government Code

Status: Passed by Senate Economic Development Committee; pending in full Senate

This bill would make it clear that a school district can grant a limitation on the value of a property at the request of a lessee of the property or another person with a possessory interest in the property. The pay requirement for a “qualifying job” would be much more complicated. In a county with fewer than 800,000 people, a qualifying job would have to pay at least the lesser of \$50,000 or 110% of the average wage for manufacturing jobs in the county. In a larger county, a qualifying job would have to pay at least 110% of the average wage for all industries in the county.

A school district would have to post an application for a value limitation and related information designated by the Comptroller on its website for at least as long as the limitation lasted. The Comptroller would also post applications and related information on her website. Some information would be made confidential by the school board during the application process but not after the board granted a limitation.

An economic impact evaluation from the Comptroller would have to include additional information such as the general nature of the proposed investment, the number of qualifying jobs to be created and the projected market value of the property before, during and after the limitation period. If the school board wanted to approve a limitation against the Comptroller’s recommendation, it would have to hold a public hearing and the approval would require a two-thirds vote of the trustees.

The bill would define terms such as “manufacturing” and “research and development” with reference to the North American Industry Classification System. A school district granting a value limitation could agree to delay its effective date for up to five years.

S.B. 1640

Author: Harris

Amends/Enacts: §§23.1241 and 23.1243 Tax Code

Status: Pending in Senate Finance Committee

This bill concerning heavy-equipment dealers is a companion to H.B. 4375 discussed above.

S.B. 1778

Author: Harris

Amends/Enacts: §313.024 Tax Code

Status: Passed by Senate Economic Development Committee; pending in full Senate

The list of types of properties eligible for value limitations granted by school districts would be expanded to include “data centers” providing electronic data processing and storage services.

S.B. 2111

Author: Averitt

Amends/Enacts: §§312.404, 313.007 and 313.021 Tax Code

Status: Passed by Senate; pending in House Energy Resources Committee

Beginning December 31, 2011, a school district could not agree to limit a property’s appraised value unless the property owner intended to use the property in connection with an “advanced clean energy project.” Personal property associated with such a project and placed in service in 2010 or later would qualify for a value limitation. For purposes of tax credits, the “qualifying time period” for an advanced clean energy project would be the first five tax years that began on or after the third anniversary of the date the school district approved the application for a value limitation unless the school district and property owner agreed to a shorter time period. This bill is also discussed under the heading *Exemptions*.

S.B. 2149

Author: Patrick

Amends/Enacts: §§23.121, 23.122, 23.124, 23.1241, 23.1242, 23.125, 23.127 and 23.128 Tax Code

Status: Passed by Senate Finance Committee; pending in full Senate

This bill concerning the reports filed by special-inventory dealers is a companion to H.B. 2071 discussed above.

S.B. 2429

Author: Zaffirini

Amends/Enacts: §23.23 Tax Code

Status: Filed

This bill would establish another cap on increases in homestead values in addition to the 10% cap in effect now. The year-to-year increase in the appraised value of a homestead could not be greater than the rate of inflation as determined by the Comptroller. The governing body of a taxing unit could decide to increase that cap by some stated percentage (e.g., a city council could decide that for purposes of city taxes, appraised values of homesteads could go up by the inflation rate plus 3%). This bill is also discussed under the heading *Appraisal Districts and ARBs*.

S.B. 2557

Author: Uresti

Amends/Enacts: §23.175 Tax Code

Status: Pending in Senate Finance Committee

Current law prescribes a specific method of appraising oil and gas interests and requires the use of projected prices estimated by the Comptroller. This bill would repeal that provision.

S.J.R. 49

Author: Williams

Amends/Enacts: Art. VIII, §23 Texas Constitution

Status: Passed by Senate Finance Committee; pending in full Senate

This proposed constitutional amendment would allow the legislature to specify uniform standards and procedures to be used in the appraisal of property for ad valorem tax purposes.

Appraisal Districts and ARBs

H.B. 2

Author: Otto

Amends/Enacts: §6.41 Tax Code

Status: Pending in House Ways and Means Committee

The boards of directors of two or more adjoining appraisal districts could contract to have a consolidated ARB. This bill is also discussed under the heading *Appraisals*.

H.B. 134

Author: Villarreal

Amends/Enacts: §§1.085, 5.01, 6.025, 6.44, 25.19 Tax Code

Status: Pending in House Ways and Means Committee

H.J.R. 22

Author: Villarreal

Amends/Enacts: Art. VIII, §§18 and 23 Texas Constitution

Status: Pending in House Ways and Means Committee

This bill would allow the Comptroller to order the consolidation of two or more appraisal districts, but it provides no criteria or standards for the Comptroller to consider in making such a decision.

The Comptroller could employ administrative law judges and assign them to serve on ARBs. An administrative law judge assigned to an ARB would automatically be its chairman.

The Comptroller would have an Office of Property Tax Counsel charged with representing the interests of owners of small businesses and single-family residences. The Office of Property Tax Counsel could represent such property owners in ARB hearings or in binding arbitration proceedings. It could also sue appraisal districts under Chapter 43 or intervene in suits filed by others.

Notices of appraised value would no longer have to contain the amount of tax that would be imposed based on the prior year's tax rate and the current year's value.

Any property owner could require an appraisal district to agree to exchange notices and information electronically.

This bill is also discussed under the headings *Appraisals; Appraisal District Litigation and Arbitration; Assessment; Collections; School Finance and Value Studies; and Miscellaneous.*

H.B. 386

Author: Miller

Amends/Enacts: §§6.03, 6.031, 6.032, 6.033, 6.034, 6.037 and 6.10 Tax Code; §52.092 Election Code

Status: Pending in House Ways and Means Committee

Under this bill an appraisal district's board of directors would consist of two elected members and five members appointed by the voting taxing units. A County Tax-Assessor could still serve as a non-voting member. The elected members would serve two-year terms beginning January 1 of odd-numbered years. Appointed members' terms would still begin on January 1 of even-numbered years. Staggered terms would no longer be allowed. A board could be expanded to have as many as thirteen members, but at least half of the additional members would have to be elected. A candidate's filing fee would be \$750 in a county with fewer than 200,000 people and \$1,250 in a larger county. Taxing units would no longer have the power to veto a board's actions.

H.B. 1229

Author: Howard

Amends/Enacts: §6.41 Tax Code

Status: Passed by House; pending in Senate Finance Committee

Under this bill an appraisal district's board of directors would consist of two elected members and five members appointed by the voting taxing units. A County Tax-Assessor could still serve as a non-voting member. The elected members would serve two-year terms beginning January 1 of odd-numbered years. Appointed members' terms would still begin on January 1 of even-numbered years. Staggered terms would no longer be allowed. A board could be expanded to have as many as thirteen members, but at least half of the additional members would have to be elected. A candidate's filing fee would be \$750 in a county with fewer than 200,000 people and \$1,250 in a larger county. Taxing units would no longer have the power to disapprove a board's actions.

In a county with 300,000 people or more, ARB members would be appointed by the county commissioners' court. The crime committed when an ARB member communicates improperly with the appraisal district's chief appraiser or staff would be raised to a Class A misdemeanor (punishable by one year in jail and a \$4,000 fine). Current law allows communications that do not involve the specific evidence, arguments, facts, merits or property involved in a pending protest. This allows ARB members to discuss procedural and administrative matters with the appraisal-district employees that provide clerical assistance to the ARB. The bill would repeal that provision.

H.B. 1287

Author: Eiland

Amends/Enacts: §6.05 Tax Code

Status: Pending in House Ways and Means Committee

A reappraisal plan adopted by an appraisal district's board of directors would have to include a plan for reappraising properties in response to a natural disaster including an "explanation of the process" for reappraising properties and the method for paying for the reappraisal.

H.B. 1547

Author: Creighton

Amends/Enacts: §§25.028 and 25.19 Tax Code

Status: Pending in House Ways and Means Committee

Every appraisal district would have an Internet website. The website would have to describe the methods used by the appraisal district to appraise residence homesteads. It would also have to provide notice of property owners' rights to inspect the appraisal district's records concerning their properties. A notice of appraised value pertaining to a residence homestead would have to advise the property owner that he could find more information about appraisal methods on the appraisal district's website.

H.B. 1548

Author: Creighton

Amends/Enacts: §6.03 Tax Code

Status: Pending in House Ways and Means Committee

A county's commissioners court could impose a requirement that every member of the appraisal district's board of directors be an elected official of a taxing unit served by the appraisal district.

H.B. 1575

Author: Isett

Amends/Enacts: §41.415 Tax Code

Status: Pending in House Ways and Means Committee

This complex bill includes a provision requiring large appraisal districts to allow the electronic filing and processing of certain protests. This provision is the same one found in S.B. 258 discussed under this heading.

This bill is also discussed under the headings *Exemptions, Appraisals, Appraisal Districts and ARBs, Appraisal District Litigation and Arbitration, and Assessment.*

H.B. 1660

Author: King

Amends/Enacts: §§5.12, 5.13 and Chapter 6 Tax Code

Status: Passed by House Ways and Means Committee; pending in full House

An appraisal district's board of directors would consist of five members appointed by the administrative district judge for the county. The county tax assessor-collector could still be a non-voting sixth member. Taxing units would still have the authority to disapprove an appraisal district's budget but would no longer have the authority to disapprove any other action taken by the board. Directors' terms would still last two years but would begin in odd-numbered years.

H.B. 1755

Author: Flores

Amends/Enacts: §5.041 Tax Code

Status: Pending in House Ways and Means Committee

This bill would require the Comptroller to offer the training course for ARB members at least four times each year. The Comptroller is only offering the course twenty times this year.

H.B. 2290

Author: Gattis

Amends/Enacts: Chapter 6 and §§ 5.12 and 5.13 Tax Code; §52.092 Election Code

Status: Pending in House Ways and Means Committee

An appraisal district's directors would be elected from the county's four commissioners' precincts, and the county tax assessor-collector would automatically be a fifth voting member. The appraisal district would be much more independent from its taxing units. Taxing units could not veto the district's budget or overturn actions of the district's board of directors. The directors could change the manner in which the district's costs were apportioned among the taxing units, and the taxing units would have nothing to say about the matter. An appraisal district's taxing units could no longer request that the Comptroller conduct a performance audit of the district. The board of directors could no longer contract with a taxing unit to have the taxing unit operate the appraisal office. Each appraisal district would have to use the calendar year as its fiscal year.

H.B. 3454

Author: Otto

Amends/Enacts: §6.15 Tax Code

Status: Passed by House; substitute passed by Senate; pending in conference committee

Current law prohibits an ARB member from communicating with appraisal-district personnel about "any matter relating to" the appraisal of property. This bill would eliminate that extremely broad language and instead prohibit communications "regarding" the appraisal of property.

Under the Senate version, an ARB member and an employee of the appraisal district could not discuss "a factual or hypothetical situation substantially similar" to a pending protest except during the hearing on the protest. The same lawyer could not serve as legal counsel to an appraisal district and its ARB.

This bill is also discussed under the headings *Appraisals*, *Appraisal District Litigation and Arbitration* and *Assessment*.

H.B. 4034

Author: McCall

Amends/Enacts: §25.028 Tax Code

Status: Pending in House Ways and Means Committee

If an appraisal district has a website that includes a searchable database of properties, that website would have to describe each category to which the appraisal district assigns real properties. The posted information on each real property would have to include the property's category.

H.B. 4038

Author: Merritt

Amends/Enacts: Tax Code sections too numerous to list

Status: Pending in House Ways and Means Committee

This bill would do away with appraisal districts' boards of directors. The tax assessor-collector for each county would run that county's appraisal district. This bill is also discussed under the heading *Appraisals*.

H.B. 4106

Author: Bohac

Amends/Enacts: §6.053 Tax Code

Status: Passed by House; passed by Senate Intergovernmental Relations Committee; pending in full Senate

An appraisal district could, if requested by the emergency-management authorities of a federal, state or local government agency, provide information and assistance pertinent to disaster mitigation or recovery, including assisting in the estimation of damage from an actual or potential disaster event.

H.B. 4230

Author: Otto

Amends/Enacts: §§1.04 and 41.45 Tax Code

Status: Passed by House; pending in Senate Finance Committee

A property owner or agent could have his ARB hearing rescheduled on a showing of good cause. He could request the rescheduling up to 90 days *after* the date scheduled for the hearing. The ARB could reschedule the hearing to a date as many as "60 days after the date scheduled for the hearing at the time the postponement or rescheduling is sought." The bill would define good cause as "a reason that includes an error or mistake that was not intentional or the result of conscious indifference." But, a hearing would not have to be rescheduled if doing so would cause "undue delay" to the ARB.

H.B. 4363

Author: Davis

Amends/Enacts: §25.25 Tax Code

Status: Pending in House Ways and Means Committee

A property owner could raise an unequal-appraisal claim before an ARB through a motion to correct the appraisal roll under §25.25(d), the statute allowing the correction of appraised values that are more than one-third too high.

H.B. 4364

Author: Davis

Amends/Enacts: §1.111 Tax Code

Status: Passed by House; pending in Senate Finance Committee

If a registered senior property tax consultant or a person not required to register with the State as a tax consultant filed a protest as an agent for a property owner, that agent would be entitled to all notices from the appraisal district regarding the property subject to the protest until the agent's authority was revoked by the agent or the property owner. This would apparently be true even if the property owner stated on the appointment-of-agent form that he wanted to receive notices himself.

S.B. 20

Author: Williams

Amends/Enacts: §§6.04, 6.41, 6.052, 6.41, 6.411 and 6.43 Tax Code

Status: Passed by Senate; pending in House Ways and Means Committee

S.J.R. 48

Author: Williams

Amends/Enacts: Art. VIII, §§1 and 18 Texas Constitution

Status: Passed by Senate; pending in House Ways and Means Committee

Instead of a taxpayer liaison officer, an appraisal district in a county with 50,000 or more people would have a "taxpayer ombudsman." The ombudsman would perform the duties now performed by a liaison officer. In addition, he would have to contact every property owner who filed a protest and notify them of the services available from his office.

The boards of directors of two or more adjoining appraisal districts could contract to have a consolidated ARB. An ARB member and an employee of the appraisal district could not discuss "a factual or hypothetical situation substantially similar" to a pending protest except during the hearing on the protest. The same lawyer could not serve as legal counsel to an appraisal district and its ARB.

This bill is also discussed under the headings *Appraisals, Appraisal District Litigation and Arbitration, Assessment, School Finance and Value Studies and Miscellaneous*.

S.B. 258

Author: Shapleigh

Amends/Enacts: §41.415 Tax Code

Status: Pending in Senate Finance Committee

In a county with 500,000 or more people, an appraisal district would have to set up a system to let owners of residence homesteads file protests electronically, i.e., using e-mail or the district's website. This requirement would apply to protests concerning only claims of excessive values or unequal values. The system would also provide for the electronic delivery of pre-hearing information (including comparable sales and other information that the appraisal district intended to use before the ARB) and settlement offers. The appraisal district would have to inform eligible homeowners about their right to protest electronically in their notices of appraised value.

S.B. 590

Author: Jackson

Amends/Enacts: §6.05 Tax Code

Status: Passed by Senate; pending in House Ways and Means Committee

A reappraisal plan adopted by an appraisal district's board of directors would have to include a plan for reappraising properties in response to a natural disaster including an "explanation of the process" for reappraising properties and the method for determining the cost of the reappraisal.

S.B. 700

Author: Patrick

Amends/Enacts: §41.415 Tax Code

Status: Passed by Senate Finance Committee; pending in full Senate

In a county with 500,000 or more people, an appraisal district would have to set up a system to let owners of residence homesteads file protests electronically, i.e., using e-mail or the district's website. This requirement would apply to protests concerning only claims of excessive values or unequal values. The system would also provide for the electronic delivery of pre-hearing information (including comparable sales and other information that the appraisal district intended to use before the ARB) and settlement offers. The appraisal district would have to inform eligible homeowners about their right to protest electronically in their notices of appraised value.

This bill is also discussed under the headings *Appraisals* and *Assessment*.

S.B. 903

Author: Hegar

Amends/Enacts: §1.111 Tax Code

Status: Pending in Senate Finance Committee

This bill concerning the appointment of agents to represent property owners is a companion to H.B. 1203 discussed above.

S.B. 1494

Author: Williams

Amends/Enacts: §22.27 Tax Code and §552.148 Government Code

Status: Pending in Senate Finance Committee

This bill concerning confidential information held by an appraisal district is a companion to H.B. 2941 discussed above. This bill is also discussed under the heading *School Finance and Value Studies*.

S.B. 1624

Author: Wentworth

Amends/Enacts: §§42.21, 42.23 and 42.29 Tax Code

Status: Pending in Senate Finance Committee

A chief appraiser would have to have a bachelor's degree and meet any other educational requirements adopted by the BTPE. Any appraiser working for an appraisal district would have to have completed at least one real estate appraisal course at an accredited college or university. Continuing education for appraisers would have to include training in property-tax law and "the appraisal system," which appraisers would have to complete every two years. The BTPE would create different classifications for appraisers and establish higher educational standards for the more advanced classifications, especially for those who do complex appraisals. An appraiser would have to demonstrate proficiency regarding all aspects of the property-tax appraisal system and be certified as an R.P.A. before he could become an appraisal supervisor or perform complex appraisals.

This bill is also discussed under the heading *Appraisal District Litigation and Arbitration*.

S.B. 2364

Author: Ellis

Amends/Enacts: §§1.04 and 41.45 Tax Code

Status: Pending in Senate Finance Committee

This bill concerning "good cause" and the rescheduling of ARB hearings is a companion to H.B. 4230 discussed above.

S.B. 2365

Author: Ellis

Amends/Enacts: §1.111 Tax Code

Status: Pending in Senate Finance Committee

This bill concerning the delivery of notices to agents is a companion to H.B. 4364 discussed above.

S.B. 2366

Author: Ellis

Amends/Enacts: §25.25 Tax Code

Status: Pending in Senate Finance Committee

A property owner could raise an unequal-appraisal claim before an ARB through a motion to correct the appraisal roll under §25.25(d), the statute allowing the correction

of appraised values that are more than one-third too high. This bill is a companion to H.B. 4363 discussed above.

S.B. 2429

Author: Zaffirini

Amends/Enacts: §§6.035, 6.05 and 6.411 Tax Code; §52.092 Election Code

Status: Pending in Senate Finance Committee

A chief appraiser would be elected and would serve two-year terms. In order to be the chief appraiser for a county's appraisal district, a person would have to be a registered voter in that county. This bill is also discussed under the heading *Appraisals*.

Appraisal District Litigation and Arbitration

H.B. 134

Author: Villarreal

Amends/Enacts: §43.01 Tax Code

Status: Pending in House Ways and Means Committee

For years, the Tax Code has contained a seldom used and little understood provision allowing a taxing to sue an appraisal district "to compel the appraisal district to comply with the [Code], rules of the comptroller, or other applicable law." This bill would greatly expand that provision to allow suits against both appraisal districts and ARBs by taxing units, property owners, lessees, agents and a division of the Comptroller's office called the Office of Public Counsel. A plaintiff who prevailed in his suit would recover his court costs and attorney's fees. The bill would increase the volume of litigation against appraisal districts and ARBs, but the extent of that increase would depend on how the courts interpreted the new law. The bill would also allow the Comptroller's Office of Property Tax Counsel to represent property owners in arbitration proceedings related to single-family residences and small businesses.

This bill is also discussed under the headings: *Appraisals; Appraisal Districts and ARBs; Assessment; Collections; School Finance and Value Studies; and Miscellaneous*.

H.B. 1202

Author: Rose

Amends/Enacts: §42.08 Tax Code

Status: Passed by House Ways and Means Committee; pending in full House

This bill concerns an instance in which a property owner files an appeal against an appraisal district and, instead of paying his taxes, files a pauper's affidavit. At least 45 days before the court's hearing on the question of whether the property owner should be excused from making a payment, the property owner would have to provide written notice to the tax assessor-collectors for the taxing units. The taxing units could intervene and participate in the case for the limited purpose of disputing the property owner's claim that he should be excused from paying. They could call witnesses and present evidence related to that question.

H.B. 1401

Author: Villarreal

Amends/Enacts: §§41A.01, 41A.03, 41A.031, 41A.09, 42.21, 42.231, 42.23, 42.24 and 42.26 Tax Code; §1152.163 Occupations Code

Status: Pending in House Ways and Means Committee

This bill would expand the Tax Code's arbitration provisions to cover claims of unequal appraisals and to cover personal property appraised at \$1million or less. A property owner could request an "expedited arbitration" with a deposit of only \$250. In an expedited arbitration, each side would get only one hour in which to present evidence and arguments to the arbitrator. In any binding arbitration, the appraisal district would ultimately pay the arbitrator unless the arbitrator sustained the appraisal-roll value with no change.

A property owner would have 60 days following his receipt of an ARB order (instead of 45 days) in which to file suit to appeal the order. Multiple property owners could join multiple properties in the same suit if they had "a common legal connection or the same client representative." A property owner could file suit on an issue that was not even identified in his notice of protest as long as the ARB had heard some evidence or argument on the issue. District courts would "give preference to" using masters in chancery to help them process property-tax appeals. Courts would be required to refer appeals to mediation.

In an unequal-appraisal case (other than one involving a capped homestead value), the value of the subject property and the value of any property to which the subject was compared would have to be the appraisal-roll values. (This could do away with claims based on appraisal ratios.) If the appraised value of an allegedly comparable property had to be adjusted by more than 25%, the court would apply a rebuttable presumption that the property was not really comparable to the subject.

A tax rep subject to Chapter 1152 of the Occupations Code, could not: 1) appear at a settlement conference in connection with an appeal unless the property owner or the owner's lawyer was there too; 2) advertise that his fee included legal services; 3) hire a lawyer to file an appeal without the written consent of his client; or 4) solicit clients for a lawyer in exchange for compensation.

H.B. 1575

Author: Isett

Amends/Enacts: §§ 41.47, 42.21, 42.211, 42.212, 42.22, 42.23, 42.24, 42.26 and 42.27 Tax Code; §28.003 Government Code

Status: Pending in House Ways and Means Committee

This bill would give a property owner the option of appealing an ARB order to a small claims court instead of to a district court. The property owner could file his suit against an appraisal district in the small claims court if the amount of taxes in dispute were \$5,000 or less. The appeal could be filed in any small claims court precinct in the county. An appraisal district would not have to be represented by a lawyer. Neither the property owner nor the appraisal district could appeal a judgment from a small-claims court.

This bill is also discussed under the headings *Exemptions, Appraisals, Appraisal Districts and ARBs, and Assessment.*

H.B. 1690

Author: Swinford

Amends/Enacts: §42.241 Tax Code

Status: Pending in House Ways and Means Committee

A judge could appoint a master in chancery to handle certain proceedings and recommend to the judge the manner in which an appeal should be resolved. If an appeal were not resolved within two years of being filed, the judge would *have to* appoint a master. Masters in Chapter 42 appeals would function in much the same way as masters in delinquent-tax suits. The bill would not infringe on the right of a property owner or an appraisal district to a jury trial.

H.B. 3310

Author: Gattis

Amends/Enacts: §42.29 Tax Code

Status: Passed by House Ways and Means Committee; pending in full House

A property owner could recover attorney's fees in an appeal from an ARB order regardless of the issues raised in the appeal and regardless of who filed the appeal. In a case involving the owner's homestead, there would be no limit to the amount that he could recover in attorney's fees.

H.B. 3454

Author: Otto

Amends/Enacts: §§41A.01, 41A.031 and 41A.08 Tax Code

Status: Passed by House; substitute passed by Senate; pending in conference committee

This bill would expand the Tax Code's arbitration provisions to cover claims of unequal appraisals and to cover personal property appraised at \$1 million or less. In the arbitration of an unequal-appraisal claim, neither side could offer evidence concerning more than five other properties. A property owner could request an "expedited arbitration" with a deposit of only \$250. In an expedited arbitration, each side would get only one hour in which to present evidence and arguments to the arbitrator.

Under the Senate version, a property owner could arbitrate the appraisal of his homestead regardless of its appraised value. A person would have to be licensed or certified as an appraiser, real-estate professional or CPA for at least five years before he could be approved as an arbitrator. An arbitrator would have to renew his registration with the Comptroller every two years and receive at least eight hours of continuing education in every two-year period. An arbitrator considering the value of personal property would have to be a CPA.

This bill is also discussed under the headings *Appraisals, Appraisal Districts and ARBs and Assessment.*

H.B. 3498

Author: Swinford

Amends/Enacts: §§42.12, 42.23 and 42.235 Tax Code; §23.101 Government Code

Status: Passed by House Ways and Means Committee; pending in full House

A property owner could include only two tax years in a single lawsuit. He would have to file a second suit in order to appeal for a third year. The parties to an appeal would have to be ready for trial and agree on a trial date within two years after a case was filed. If a second year were added to a pending appeal, the deadline would be two years after the addition of the second year. If a party was not ready at the end of that two-year period, that party would lose by default. If neither side was ready, the court could dismiss the case for want of prosecution. The court could extend the deadlines or grant a continuance of a trial on a showing of good cause by a party or on the court's own motion if the court found a "substantial and unavoidable" reason for the delay. The bill would also affect discovery deadlines in property-tax appeals. Under current law, property-tax appeals have priority over most other types of court cases, but only in counties with fewer than 175,000 people. This bill would extend that priority to all counties.

H.B. 4040

Author: Villarreal

Amends/Enacts: §§42.21, 42.231, 42.23, 42.24 and 42.26 Tax Code

Status: Passed by House Ways and Means Committee; pending in full House

A property owner would have 60 days following his receipt of an ARB order (instead of 45 days) in which to file suit to appeal the order. Part of the bill could be read to allow a property owner to sue even before the ARB had issued an order determining his protest. Multiple property owners could join multiple properties in the same suit if they had "a common ownership interest in whole or in part." District courts would "give preference to" using masters in chancery to help them process property-tax appeals. Courts would be required to refer appeals to mediation unless mediation was waived by both parties.

In an unequal-appraisal case (other than one involving a capped homestead value), the value of the subject property and the value of any property to which the subject was compared would have to be the appraisal-roll values.

H.B. 4041

Author: Villarreal

Amends/Enacts: §§41A.01, 41A.03 and 41A.031 Tax Code

Status: Passed by House Ways and Means Committee; pending in full House

This bill would expand the Tax Code's arbitration provisions to cover claims of unequal appraisals and to cover personal property appraised at \$1 million or less. In the arbitration of an unequal-appraisal claim, neither side could offer evidence concerning more than five other properties. A property owner could request an "expedited arbitration" with a deposit of only \$250. In an expedited arbitration, each side would get only one hour in which to present evidence and arguments to the arbitrator.

H.B. 4229

Author: Otto

Amends/Enacts: §42.29 Tax Code

Status: Passed by House; pending in Senate Finance Committee

A court could award attorneys fees to a "prevailing" property owner in an appeal concerning a property owner's motion to correct an appraisal roll (i.e., a motion under §25.25).

H.B. 4365

Author: Davis

Amends/Enacts: §§41A.09 Tax Code

Status: Pending in House Ways and Means Committee

If a property owner were represented by a lawyer in a binding arbitration and if he "prevailed," the arbitrator would have to award the property owner his attorney's fees.

S.B. 20

Author: Williams

Amends/Enacts: §§43.01 Tax Code; §§2003.009-2003.915 Government Code

Status: Passed by Senate; pending in House Ways and Means Committee

This bill would establish a pilot program in six densely populated counties. That program would allow a property owner to appeal an ARB order by taking his claim to the State Office of Administrative Hearings. The property involved could be real or personal, but it would have to be appraised at more than \$1 million. An appeal would be heard and determined by an administrative law judge with some knowledge of appraisals. The ALJ's determination could be appealed to district court.

This bill is also discussed under the headings *Appraisals, Appraisal Districts and ARBs, Assessment, School Finance and Value Studies* and *Miscellaneous*.

S.B. 1117

Author: Nichols

Amends/Enacts: §§41A.01 and 41A.08 Tax Code

Status: Pending in Senate Finance Committee

This bill would expand the Tax Code's arbitration provisions to cover personal property appraised at \$1million or less. An arbitrator could handle personal-property cases without having to be an appraiser or real-estate professional. A property owner or appraisal district could be represented by a CPA in a personal-property arbitration.

S.B. 1497

Author: Williams

Amends/Enacts: Chapter 41A Tax Code

Status: Passed by Senate; pending in House Ways and Means Committee

A property owner could choose binding arbitration to appeal an ARB order determining the value of real *or personal* property appraised at \$1 million or less. An arbitrator considering the value of personal property would have to be a CPA. A property owner could appeal an ARB order determining the value of his homestead through binding arbitration even if the homestead had a value over \$1 million. Under current law, binding arbitration is not an option if an appeal involves any issue other than “the determination of the appraised or market value of the property.” This bill would remove that language, but it still appears that binding arbitration would be available only for claims of excessive value. A property owner could request an “expedited arbitration” with a deposit of only \$250. In an expedited arbitration, each side would get only one hour in which to present evidence and arguments to the arbitrator.

A person would have to be licensed or certified as an appraiser, real-estate professional or CPA for at least five years before he could be approved as an arbitrator. An arbitrator would have to renew his registration with the Comptroller every two years and receive at least eight hours of continuing education in every two-year period. A CPA could also represent a property owner or an appraisal district in an arbitration.

S.B. 1624

Author: Wentworth

Amends/Enacts: §§42.21, 42.23 and 42.29 tax Code

Status: Pending in Senate Finance Committee

Property owners who file appeals asserting unequal-appraisal claims sometimes argue that the actual market values of their properties are not relevant, and they resist appraisal districts’ attempts to discover information relevant to those market values. This bill would make it clear that an appraisal district can discover information about the market value of a property that is the subject of an appeal, including a sales price and a property’s income and expenses. That information would be admissible as evidence.

Before a court could award attorney’s fees to a property owner, the owner would have to show that the correct appraised value for his property was more than 10% below the value on the appraisal roll. The bill would also make it clear that the limits on the amounts of attorney’s fees that property owners can recover are the same regardless of how many owners there are in an appeal. (If a property has three owners, that does not mean that a court can award three times as much in attorney’s fees.) If an appraisal district were successful in proving that the correct appraised value for a property was at least 10% higher than the appraisal-roll value, the appraisal district could recover attorney’s fees from the property owner.

The bill would also repeal a rule that, in certain instances, requires a property owner and an appraisal district to provide discovery information about their expert witnesses at the same time.

This bill is also discussed under the heading *Appraisal Districts and ARBs*.

S.B. 2123

Author: West

Amends/Enacts: §42.43 Tax Code

Status: Pending in Senate Intergovernmental Resources Committee

Under current law, a property owner who is entitled to a tax refund as a result of a lawsuit against an appraisal district is entitled to interest on the refund at the rate of 8%. This bill would change that rate to “a current fair market annual rate.”

S.B. 2362

Author: Ellis

Amends/Enacts: §§41A.09 Tax Code

Status: Pending in Senate Finance Committee

This bill giving a property owner the right to recover attorney’s fees in a binding arbitration is a companion to H.B. 4365 discussed above.

S.B. 2363

Author: Ellis

Amends/Enacts: §42.29 Tax Code

Status: Pending in Senate Finance Committee

A court could award attorneys fees to a “prevailing” property owner in an appeal concerning a property owner’s motion to correct an appraisal roll. This bill is a companion to H.B. 4229 discussed above.

Assessment

H.B. 54

Author: Branch

Amends/Enacts: §31.01 Tax Code

Status: Pending in House Ways and Means Committee

A wealthy school district would state on its tax bills for single-family residences, duplexes and triplexes (or on separate statements sent to the owners of those properties) the percentage of the district’s taxes that must be used to enable the district to achieve the equalized wealth level.

H.B. 69

Author: Guillen

Amends/Enacts: §§11.262, 23.19 and 26.012 Tax Code; §44.004 Education Code; §403.302 Government Code

Status: Passed by House Ways and Means Committee; pending in full House

H.J.R. 17

Author Guillen

Amends/Enacts: Art. VIII, §1-b Texas Constitution

Status: Passed by House Ways and Means Committee; pending in full House

This proposed constitutional amendment and related bill would allow taxing units to grant tax freezes for the homesteads of reserve military personnel, including National-Guard members, who are called to active duty. The benefit could be adopted by a taxing unit's governing body or by its voters in an election that would be required if five percent of voters signed petitions. In order to qualify, a homeowner would have to be on active duty for at least six months and be stationed at least 150 miles from his home. He would have to file an application with the appraisal district. The freeze could be transferred from one homestead to another in the same taxing unit.

H.B. 134

Author: Villarreal

Amends/Enacts: §§26.05 and 26.06 tax Code; §44.004 Education Code; §49.236

Water Code

Status: Pending in House Ways and Means Committee

This bill would change the requirements for some truth-in-taxation notices. A taxing unit's notice of public hearing would no longer contain information about an average residence homestead. The notice of the meeting at which the governing body would adopt a tax rate would no longer have to contain information about the taxing unit's total tax revenues. Both notices would contain the unit's effective tax rate described as, "the tax rate that would raise the taxes required to fund the same level of services as were provided last year." The bill would also simplify the notices published by school districts and water districts. This bill is also discussed under the headings *Appraisals; Appraisal Districts and ARBs; Appraisal District Litigation and Arbitration; Collections; School Finance and Value Studies; and Miscellaneous.*

H.B. 653

Author: Bonnen

Amends/Enacts: §31.01 Tax Code

Status: Passed by House Ways and Means Committee; pending in full House

Current law requires the exterior of a tax bill to say, "RETURN SERVICE REQUESTED." This bill would give a tax assessor-collector the choice of whether to include that language on tax bills.

H.B. 1129

Author: McReynolds

Amends/Enacts: §§11.261, 23.19 and 26.012 Tax Code

Status: Pending in House Ways and Means Committee

H.J.R. 57

Author: McReynolds

Amends/Enacts: Art. VIII, §1-b Texas Constitution

Status: Pending in House Ways and Means Committee

Under this proposed constitutional amendment and related bill, a hospital district would have the same authority that cities, counties and junior college districts have to grant tax freezes for the homesteads of senior citizens and disabled homeowners.

H.B. 1221

Author: Howard

Amends/Enacts: §§25.19, 26.012, 26.04, 26.041, 26.043, 26.044, 26.0441, 26.05, 26.052 and 26.06 Tax Code

Status: Passed by House; pending in Senate Finance Committee

After receiving a taxing unit's appraisal roll from the appraisal district, the unit's tax assessor would have 21 days to submit the roll to the governing body. The collector would then have 21 days in which to certify an estimated collection rate. Within 30 days following the assessor's receipt of the roll, the person designated by the governing body would calculate the effective rate, the rollback rate and something called the "same-services tax rate." That person would then have five days to submit those rates to the governing body and to the appraisal district. At least 14 days before the governing body's first meeting to consider the unit's budget, the unit would have to publish notice of the prior year's tax rate, the same-services tax rate and the rollback rate and an explanation of how those rates were calculated. That notice would also explain that the taxes on a property are the product of the property's taxable value and the tax rate and that the adoption of a rate higher than the same-services tax rate constituted a tax increase. Some information about the taxing unit's finances would no longer have to be included in the notice. If the notice were not published on time and the delay was not caused by circumstances beyond the taxing unit's control, the taxing unit would have to assess taxes using the lower of its same-services rate or its tax rate from the preceding year.

Basically, the same-services tax rate would replace the effective tax rate in determining which steps a taxing unit would have to take in the Truth-in-Taxation process. For example, a taxing unit's governing body would have to hold public hearings on the unit's proposed tax rate if that rate exceeded either the rollback rate or the same-services rate. Before publishing notice of the hearings, the governing body would have to take a record vote on a proposal to place consideration of a tax increase on the agenda for the meeting at which the body would adopt a tax rate.

A taxing unit's deadline for adopting a tax rate would be the 90th day after its assessor received the appraisal roll. The calculation of the unit's debt rate would be changed. Under current law, a governing body must use certain self-flagellating language in the ordinance or resolution adopting the tax rate if the M&O component of that rate constitutes an increase over the preceding year's M&O tax rate. Under this bill, that self flagellation would be triggered by a year-to-year increase in the total tax rate.

This bill is also discussed under the heading *Appraisals*.

H.B. 1516

Author: Kent

Amends/Enacts: §26.08 Tax Code

Status: Pending in House Ways and Means Committee

The 4¢ figure currently added into a school district's rollback rate calculation would be raised to 8¢.

H.B. 1575

Author: Isett

Amends/Enacts: §§26.04, 26.041, 26.07, 31.12 and 33.08 Tax Code; §49.236 Water Code

Status: Pending in House Ways and Means Committee

Under this bill, a taxing unit's rollback tax rate would be calculated by multiplying the unit's effective M & O rate by 1.05 and adding the unit's debt rate. The rules for rollback elections would remain unchanged for school districts. Any other taxing unit would have to hold an election any time its governing body adopted a tax rate that exceeded the unit's rollback rate. If the voters did not affirmatively approve the rate adopted by governing body, that rate would be thrown out, and the unit could not adopt a rate that exceeded its rollback rate. A water district would have to hold an election if its board proposed a rate that would increase the taxes on an average residence homestead by more than 5% from the preceding year.

This bill is also discussed under the headings *Exemptions, Appraisals, Appraisal Districts and ARBs, and Appraisal District Litigation and Arbitration.*

H.B. 1576

Author: Isett

Amends/Enacts: §§26.04, 26.041, 26.07, 31.12 and 33.08 Tax Code; §49.236 Water Code

Status: Pending in House Ways and Means Committee

Under this bill, a taxing unit's rollback tax rate would be calculated by multiplying the unit's effective M & O rate by 1.03 and adding the unit's debt rate. The rules for rollback elections would remain unchanged for school districts. Any other taxing unit would have to hold an election any time its governing body adopted a tax rate that exceeded the unit's rollback rate. If the voters did not affirmatively approve the rate adopted by governing body, that rate would be thrown out, and the unit could not adopt a rate that exceeded its rollback rate. A water district would have to hold an election if its board proposed a rate that would increase the taxes on an average residence homestead by more than 3% from the preceding year.

H.B. 2165

Author: Rose

Amends/Enacts: §§23.51 and 23.522 Tax Code

Status: Passed by House; pending in Senate Finance Committee

This bill concerns land used for ecological research and appraised as open-space agricultural land. Such land would have to be subject to a written agreement between the owner and a public or private college or university. The agreement would have to: be in effect on January 1 of a year; entitle the college or university to conduct research

on the land throughout the year; and provide that any other uses of the land were subordinate to the research. A property owner would have to include with his application a written statement from a supervising faculty member from the college or university listing (among other things) at least three research projects to be carried out on the land during the year in question. The entire tract would qualify as open-space agricultural land if the three projects were carried out on any part of it. An appraisal district could require a property owner to confirm after a year ended that his land had met the applicable requirements during that year and to provide a signed statement to that effect from a supervising faculty member from the college or university. If the property owner could not provide that confirmation, the appraisal district could cancel the open-space agricultural appraisal of the land retroactively for the year in question. Land used for ecological research would be classified as native pasture. Land that had been appraised as ecological-research land for at least two of three preceding years would qualify as conventional open-space agricultural land and as wildlife-management land “regardless of the manner in which the land was used in any prior year” if the land was otherwise eligible.

H.B. 2230

Author: Parker

Amends/Enacts: §§23.46, 23.55 and 23.58 Tax Code

Status: Passed by House; pending in Senate Finance Committee

Rollback taxes on agricultural land (both 1-d and 1-d-1 land) would be assessed without interest. If the rollback taxes were not paid on time, they would incur penalties and interest just as any other delinquent taxes would.

H.B. 2292

Author: Gattis

Amends/Enacts: §§23.20, 23.52, 23.55, 23.58, 31.01, 41.41 and 41.44 Tax Code

Status: Pending in House Ways and Means Committee

This bill would eliminate rollback taxes on open-space agricultural (1-d-1) land.

H.B. 2543

Author: Eissler

Amends/Enacts: §26.083 Tax Code

Status: Pending in House Ways and Means Committee

A school district’s board of trustees could call an election and ask the district’s voters to approve a specified maximum M&O tax rate. If the voters approved the proposal, then the board could adopt any M&O tax rate that did not exceed the specified maximum without the need for a ratification election. The board would have that authority for two years. If the voters rejected the proposal, the school district would remain subject to the usual rules for rollback rates and ratification elections.

H.B. 2643

Author: Kent

Amends/Enacts: §26.08 Tax Code

Status: Pending in House Ways and Means Committee

This bill concerns the timing of an election for the ratification of a school district's tax rate. Current law provides that such an election should be scheduled on a date listed in §41.001 of the Election Code (which generally requires that elections be held on certain dates in May and November) if there is such a date that also satisfies the Tax Code's timing requirements. Under this bill, a school district's tax rate-ratification election would not be subject to §41.001 of the Election Code at all. A school board scheduling an election would have only the Tax Code's timing requirements to worry about.

H.B. 2645

Author: Kent

Amends/Enacts: §§26.08 and 313.029 Tax Code; §§42.2522, 44.004 and 45.003 Education Code

Status: Pending in House Ways and Means Committee

A school district would no longer have a rollback tax rate by that name. Instead, it would have a "maximum maintenance tax rate," computed as follows. A school district that had an M&O rate of less than \$1.04 in one year could not adopt a rate for the following year that was higher than the greater of: 1) the first year's rate plus 4¢; or 2) \$1.04. A school district that had an M&O tax rate of \$1.04 or more in one year could not increase that rate by more than 4¢ for the following year. Part of the bill suggests that a school district might adopt an M&O tax rate exceeding these limits if that rate were approved by the voters, but part of the bill suggests that a district could never adopt a rate that exceeded these limits.

H.B. 2878

Author: Sheffield

Amends/Enacts: §§11.34, 23.19 and 26.012 Tax Code; §403.302 Government Code

Status: Passed by House Ways and Means Committee; pending in full House

H.J.R. 91

Author: Sheffield

Amends/Enacts: Art. VIII, §1-p Texas Constitution

Status: Passed by House Ways and Means Committee; pending in full House

This bill concerns a senior citizen or disabled homeowner who builds a new homestead structure on land that was already part of his homestead. It would apply where the new structure was built under the federal community development block grant program using a nonentitlement grant or under a housing rehabilitation program of the Texas Department of Housing and Community Affairs. Under these circumstances, the homeowner's taxes would be frozen at the level where they were when he lived in the old homestead structure. The freeze would apply to all taxing units.

H.B. 3454

Author: Otto

Amends/Enacts: §§23.46, 23.55, 23.58, 26.04 and 26.05 Tax Code

Status: Passed by House; substitute passed by Senate; pending in conference committee

Under the Senate version of this bill, when a school district's assessor received the estimate of taxable value from the appraisal district (which should happen in early June), the assessor would use the estimate to submit an estimated appraisal roll to the school board. The district would calculate an effective tax rate and a rollback tax rate based on the estimated values. The school board *would actually adopt a tax rate based on the estimated values* and would do so before the later of September 30 or the 60th day after the assessor received the estimates from the appraisal district. These provisions are not included in the House version.

Rollback taxes on agricultural land (both 1-d and 1-d-1 land) would be assessed without interest. If the rollback taxes were not paid on time, they would incur penalties and interest just as any other delinquent taxes would.

This bill is also discussed under the headings *Appraisals, Appraisal Districts and ARBs* and *Appraisal District Litigation and Arbitration*.

H.B. 3997

Author: Paxton

Amends/Enacts: §301.005 Tax Code

Status: Pending in House Ways and Means Committee

A local government could not increase the rate of any tax without first holding an election. At least 25% of registered voters would have to vote, and a majority of the people voting would have to favor the increase.

H.B. 4035

Author: Kent

Amends/Enacts: §§26.01 and 26.05 Tax Code; §44.004 Education Code; §§3.005 and 4.008 Election Code

Status: Pending in House Ways and Means Committee

A school district could adopt a tax rate *before* adopting a budget for the fiscal year beginning in the current tax year. In that event, the school district would use the estimated values reported by the appraisal district for purposes of its truth-in-taxation procedures. (The appraisal district's deadline for reporting those estimates would be moved up to March 31.) The school board would publish a notice and hold a public meeting in order to adopt a tax rate. Then it would publish another notice and hold another public meeting in order to adopt a budget.

H.B. 4105

Author: Bohac

Amends/Enacts: §§26.012, 26.04, 26.041, 26.043, 26.044, 26.0441, 26.05, 26.052 and 26.06 Tax Code

Status: Pending in House Ways and Means Committee

The effective tax rate used for truth-in-taxation purposes would change its name to the “no new taxes tax rate.”

H.B. 4413

Author: Taylor

Amends/Enacts: §§26.05 and 26.06 Tax Code

Status: Pending in House Ways and Means Committee

Under current law, a taxing unit's governing body must hold public hearings if it is considering adopting a tax rate that is higher than either the effective rate or the rollback rate. Under this bill, a taxing unit would simply compare its proposed rate with its effective rate. If the proposed rate was higher than the effective rate, the governing body would have to hold public hearings. The published notice of the hearings would no longer have to include information about the taxes on an average homestead. The published notice of the governing body's actual vote on the tax rate would no longer have to include information about the unit's proposed total tax revenues. It would include information about the balances of the unit's general fund and I&S funds for the two preceding years along with estimated figures for the end of the current tax year.

H.B. 4429

Author: Chisum

Amends/Enacts: §26.08 Tax Code

Status: Passed by House Ways and Means Committee; pending in full House

This bill would apply to a school district that: borders another state; includes 75-85% of the territory in a county; and has 500-1000 students in WADA. If that school district adopted an M&O tax rate less than its effective M&O rate in one year, then, in the next year, it would calculate its rollback rate as though it had adopted its effective M&O rate in the first year.

H.B. 4521

Author: Phillips

Amends/Enacts: §26.08 Tax Code

Status: Pending in House Ways and Means Committee

A school district would not need to hold an election on its adopted tax rate if that rate did not exceed the sum of: 1) the district's M&O rate for the most recent year in which its tax rate was approved in an election; and 2) its debt rate.

S.B. 20

Author: Williams

Amends/Enacts: §§26.04 and 26.05 Tax Code

Status: Passed by Senate; pending in House Ways and Means Committee

When a school district's assessor received the estimate of taxable value from the appraisal district (which should happen in early June), the assessor would use the estimate to submit an estimated appraisal roll to the school board. The district would

calculate an effective tax rate and a rollback tax rate based on the estimated values. The school board *would actually adopt a tax rate based on the estimated values* and would do so before the later of September 30 or the 60th day after the assessor received the estimates from the appraisal district. This bill is also discussed under the headings *Appraisals, Appraisal Districts and ARBs, Appraisal District Litigation and Arbitration, School Finance and Value Studies and Miscellaneous.*

S.B. 678

Author: Shapleigh

Amends/Enacts: §23.55 Tax Code

Status: Pending in Senate Finance Committee

This bill would increase the rollback taxes that apply when open-space agricultural land undergoes a change of use. A taxing unit's rollback taxes would recapture its lost tax revenues for ten years instead of five.

S.B. 700

Author: Patrick

Amends/Enacts: §§26.04, 26.041, 26.07, 31.12 and 33.08 Tax Code; §49.236 Water Code

Status: Passed by Senate Finance Committee; pending in full Senate

The rules for rollback elections would remain unchanged for school districts. Any other taxing unit would have to hold an election any time its governing body adopted a tax rate that exceeded the unit's rollback rate. If the voters did not affirmatively approve the rate adopted by governing body, that rate would be thrown out, and the unit could not adopt a rate that exceeded its rollback rate. A water district would have to hold an election if its board proposed a rate that would increase the taxes on an average residence homestead by more than 8% from the preceding year.

It is also discussed under the headings *Appraisals, and Appraisal Districts and ARBs,*

S.B. 1316

Author: Wentworth

Amends/Enacts: §§23.51 and 23.522 Tax Code

Status: Pending in Senate Finance Committee

This bill concerning land used for ecological research and appraised as open-space agricultural land is a companion to H.B. 2165 discussed above.

S.B. 1385

Author: Seliger

Amends/Enacts: §26.08 Tax Code

Status: Pending in Senate Finance Committee

Suppose that in one year a school district adopted an M&O tax rate lower than its effective rate. When the district calculated its rollback rate in the following year, it would

use the effective rate from the first year instead of its actual adopted rate from that year. This would give the district a higher rollback rate in the second year.

S.B. 2301

Author: Williams

Amends/Enacts: §§26.04 and 26.041 Tax Code; §49.236 Water Code

Status: Pending in Senate Finance Committee

Under this bill, a taxing unit's rollback tax rate would be calculated by multiplying the unit's effective M & O rate by 1.05 and adding the unit's debt rate. A taxing unit could substitute a figure of 1.08 if: 1) any part of the unit was in a declared disaster area; or 2) the governing body adopted a resolution finding that a higher tax rate was necessary to protect the health, safety or property of the taxing unit's residents. A water district would have to hold an election if its board proposed a rate that would increase the taxes on an average residence homestead by more than 5% from the preceding year. But, the district's board could substitute a figure of 8% under the same two circumstances.

S.B. 2392

Author: Shapiro and Ogden

Amends/Enacts: §26.08 Tax Code; Chapters 41 and 42 Education Code; §403.302 Government Code

Status: Pending in Senate Education Committee

A school district that had an M&O tax rate of \$1.50 or less in 2005 would have a 2009 rollback rate equal to the sum of: 1) 66.67 % of the district's 2005 M&O rate; 2) 6¢; 3) the sum of the differences for 2006-2008 between the district's adopted tax rate, if that adopted rate was approved in an election, and the district's rollback rates (let's call this the cumulative unused rollback rate); and 4) the district's debt rate. In 2010 and subsequent years, a district's rollback rate would be the lesser of two calculated rates. The first of those calculations would be the sum of: 1) \$1.50 multiplied by the compression percentage; 2) 6¢; 3) the cumulative unused rollback rate; and 4) the district's debt rate. The second of those calculations would be the sum of: 1) the district's effective M&O rate; 2) 6¢ multiplied by the compression percentage; and 3) the district's debt rate.

This bill is also discussed under the heading *School Finance and Value Studies*.

Collections

H.B. 60

Author: Branch

Amends/Enacts: §31.07 Tax Code

Status: Pending in House Ways and Means Committee

Under current law, a tax collector has the option of adopting a policy of accepting partial payments. This bill would eliminate the option and *require* collectors to accept partial payments.

H.B. 115

Author: Pickett

Amends/Enacts: §6.31 Tax Code; Art. 2.12 Code of Criminal Procedure

Status: Passed by House Public Safety Committee; Pending in full House

Under this bill, a county's tax assessor-collector could commission one or more of his employees as a peace officer. An employee would have to be certified by the Commission on Law Enforcement Standards and Education and would have to work in the functional equivalent of an "enforcement division" of the assessor-collector's office.

H.B. 134

Author: Villarreal

Amends/Enacts: § 33.065 Tax Code

Status: Pending in House Ways and Means Committee

Current law contains a little-used provision allowing a person to defer the collection of taxes on part of the value of his homestead if its appraised value increases by more than 5% from one year to the next. The property owner is required to pay interest at the rate of 8% on the deferred taxes. This bill would change that interest rate to the prime rate in effect at the beginning of each year.

This bill is also discussed under the headings *Appraisals; Appraisal Districts and ARBs; Appraisal District Litigation and Arbitration; Assessment; School Finance and Value Studies; and Miscellaneous.*

H.B. 408

Author: Isett

Amends/Enacts: §31.031 Tax Code

Status: Passed by House; pending in Senate Finance Committee

Disabled veterans and surviving spouses of disabled veterans would have the same right that senior citizens and disabled people have to pay taxes on their homesteads in four installments. A disabled veteran or surviving spouse would have to qualify for a disabled veteran's exemption in order to receive this benefit, but he or she would not have to apply that benefit to the homestead property.

H.B. 442

Author: Edwards

Amends/Enacts: §33.06 Tax Code

Status: Pending in House Ways and Means Committee

This bill would reduce the interest rate from 8% to 5% on deferred taxes on the homesteads of senior citizens and disabled homeowners. It would apply retroactively to interest already accrued on those deferred taxes.

H.B. 907

Author: Dutton

Amends/Enacts: §33.49 Tax Code

Status: Pending in House Ways and Means Committee

This bill concerns attorneys ad litem appointed to represent defendants in delinquent-tax suits. Taxing units would have to pay an attorney ad litem out of their general funds as soon as practicable after receiving his claim for payment. They could no longer wait until they collected their taxes.

H.B. 1247

Author: Jackson

Amends/Enacts: §§31.11 and 11.438 Tax Code

Status: Pending in House Ways and Means Committee

Before a taxing unit could refund an overpayment or erroneous payment, its auditor and tax collector would have to agree that the payment was excessive or erroneous. In a county with two million or more people, the county's tax collector could automatically refund an excessive or erroneous payment of up to \$5,000 without having to first send a notice to the taxpayer and without requiring the taxpayer to apply for the refund. The collector could make such a refund for any taxing unit for which she collected.

If a charitable organization or youth organization was denied an exemption because it did not have the right language in its charter and if it later fixed the problem and qualified for the exemption after paying its taxes, a tax collector would refund its taxes automatically without the organization having to file an application.

H.B. 1283

Author: Eiland

Amends/Enacts: §31.032 Tax Code

Status: Passed by House; pending in Senate Finance Committee

This is another bill concerning installment payments on real properties damaged in natural disasters. This bill would extend that benefit to any real property owned by an individual human being and to real property owned by a business entity that had reported less than \$5 million of gross receipts on its most recent franchise-tax return or federal income-tax return. That \$5 million limit would change from year to year according to the rate of inflation as determined by the Comptroller.

H.B. 2655

Author: Oliveira

Amends/Enacts: §23.129 Tax Code

Status: Pending in House Ways and Means Committee

This bill would give a tax assessor-collector the discretion to waive the penalty triggered when a motor-vehicle dealer fails to file a timely motor vehicle inventory tax statement. The dealer would have thirty days after receiving notice of the penalty in which to request a waiver and supply the assessor-collector with any relevant information supporting his request. The assessor-collector would determine whether the dealer had exercised reasonable diligence with respect to filing his statement and whether the

dealer had substantially complied with the filing requirement. The assessor-collector's decision on the matter would be final and could not be appealed or reviewed.

H.B. 2908

Author: Paxton

Amends/Enacts: §32.06 Tax Code; §§351.004, 351.008, 351.009, 351.010 and 351.011 Finance Code

Status: Passed by House; substitute passed by Senate; pending in conference committee

The Consumer Credit Commissioner would have broad authority to investigate property tax lenders. The Commissioner would have access to the records of those lenders (or anybody else suspected of violating applicable laws) and the authority to examine people under oath. The Commissioner could require a lender to present a CPA's certification that the lender had sufficient assets and that the lender's books were in order. The Commissioner could prohibit a lender from operating his business in the same office as another business if the Commissioner found that the office-sharing arrangement concealed illegal activities. The Finance Commission would create forms for: 1) the document that a property owner uses to authorize someone to pay his taxes for him; and 2) the certification that a tax office issues when a tax lien is transferred. The Senate version would make confidential most of the Finance Commission's records related to an investigation.

H.B. 3000

Author: Homer

Amends/Enacts: §23.1242 Tax Code

Status: Pending in House Ways and Means Committee

If a heavy equipment dealer's monthly prepayments of inventory taxes exceeded his actual tax assessment for a year, the dealer could choose to collect a refund of the extra money or apply it to his taxes for the next year.

H.B. 3240

Author: Martinez

Amends/Enacts: §34.06 Tax Code; Chapter 255 Local Government Code

Status: Passed by House Urban Affairs Committee; pending in full House

A city could establish a program under which it would foreclose on properties with delinquent taxes, improve those properties and then sell them to affordable-housing programs recognized by the State or the federal government. The city would act as a trustee for the other taxing units with delinquent taxes on a property and would negotiate with those other taxing units for the payment of some or all of their taxes. When it sold a property, the city could keep proceeds in an amount equal to the increase in value of the property resulting from the improvements it had made. Then, the city would pay the other taxing units' taxes according to its negotiations with them. It would not have to pay the other taxing units' penalties and interest if the improvement and sale of the property as affordable housing benefited the taxpayers of the other

taxing units. If the city could not sell a property to an approved program, it could sell the property to another kind of buyer. In that event, the city could not claim an amount equal to the property's increased value and it would have to pay the other taxing units' penalties and interest.

H.B. 4069

Author: Gonzales

Amends/Enacts: §§32.05 and 32.066 Tax Code

Status: Pending in House Ways and Means Committee

If a tax lien were transferred, it would lose its special priority over other liens. It would be inferior to any lien or encumbrance that existed before the tax lien. Any provision in a contract or agreement would be void if it attempted to change the statutory rules governing transfers of tax liens or if it purported to waive rights created by those rules.

H.B. 4660

Author: Taylor

Amends/Enacts: §23.122 Tax Code

Status: Passed by House; pending in Senate Intergovernmental Relations Committee

Under current law, a tax assessor-collector who administers escrow funds for the prepayments made by automobile dealers keeps the interest to defray the costs of administering the prepayment program. This bill would allow the assessor-collectors of Galveston and Brazoria Counties to apply the interest to the general operating costs of their tax offices.

H.B. 4692

Author: Olivo

Amends/Enacts: §33.06 Tax Code

Status: Passed by House; pending in Senate Finance Committee

If a senior citizen or disabled homeowner filed an affidavit to defer the collection of taxes on his homestead, but a mortgage company or some other third party then paid those taxes, the tax office would have to refund that payment and inform the payer about the deferral. A mortgage holder could not establish an escrow account for deferred taxes without the property owner's written consent.

S.B. 471

Author: Carona

Amends/Enacts: §34.04 Tax Code

Status: Passed by Senate Finance Committee; pending in full Senate

This bill concerning excess proceeds that result from tax sales is a companion to H.B. 406 discussed above.

S.B. 797

Author: Carona
Amends/Enacts: §31.11 Tax Code
Status: Pending in Senate Finance Committee

This bill concerning refunds of overpayments and erroneous payments is a companion to H.B. 1205 discussed above.

S.B. 1355
Author: Lucio
Amends/Enacts: §23.129 Tax Code
Status: Pending in Senate Finance Committee

This bill concerning the waiver of penalties imposed on special-inventory dealers is a companion to H.B. 2655 discussed above.

S.B. 1469
Author: Davis
Amends/Enacts: §34.21 Tax Code
Status: Pending in Senate Finance Committee

This bill concerning redemptions is a companion to H.B. 1407 discussed above.

S.B. 1632
Author: Wentworth
Amends/Enacts: §§31.11 and 11.438 Tax Code
Status: Pending in Senate Finance Committee

If a tax office became aware of an overpayment or erroneous payment of more than \$4.99 but less than \$100, it would issue a refund automatically without the taxpayer having to file an application. A refund in any other amount would still require an application from the taxpayer. If the tax office discovered an overpayment or erroneous payment of \$100 or more, it would send the taxpayer a notice and a refund application form.

S.B. 2147
Author: Patrick
Amends/Enacts: §32.05 Tax Code
Status: Pending in Senate Finance Committee

If a tax lien were transferred, it would lose its special priority over other liens. It would be inferior to any lien or encumbrance that existed before the tax lien.

S.B. 2201
Author: Wentworth
Amends/Enacts: §§32.06 and 33.445 Tax Code
Status: Passed by Senate Jurisprudence Committee; pending in full Senate

This bill concerning transferred tax liens is a companion to H.B. 1465 discussed above.

S.B. 2297

Author: Watson

Amends/Enacts: §17.091 Civil Practice and Remedies Code

Status: Pending in Senate Jurisprudence Committee

This bill concerning delinquent-tax suits filed against nonresidents of Texas is a companion to H.B. 1804 discussed above.

S.B. 2302

Author: Williams

Amends/Enacts: §31.032 Tax Code

Status: Pending in Senate Finance Committee

Under current law, certain residential properties qualify for installment payments if they are damaged in natural disasters. This bill would extend that benefit to real and personal property owned by a business that had reported less than \$5 million of gross receipts on its most recent franchise-tax return or federal income-tax return.

School Finance and Value Studies

H.B. 134

Author: Villarreal

Amends/Enacts: Ch. 5 Tax Code; §§403.3011-403.304 Government Code

Status: Pending in House Ways and Means Committee

Under this bill, the annual value study would be called the Detailed Review of Standards, Procedures, and Methodology used to Determine School District Property Values. The stated purpose of the review would be to determine whether an appraisal district had used “appropriate information and methodology” to appraise the property in a school district. If the Comptroller determined that the appraisal district had failed to meet that standard, the school district would be assigned state value.

The Comptroller would no longer perform ratio studies of appraisal districts. There would be no automatic performance audits of appraisal districts, and an appraisal district could not immunize itself against a performance audit requested by taxing units or by groups of property owners.

This bill is also discussed under the headings Appraisals; Appraisal Districts and ARBs; Appraisal District Litigation and Arbitration; Assessment; Collections; and Miscellaneous.

H.B. 329

Author: Pierson

Amends/Enacts: §§46.003 and 46.032 Education Code

Status: Pending in House Public Education Committee

This bill concerns the level of state and local funds guaranteed to school districts for facilities and the payment of existing debts. The guaranteed level would be raised from \$35 to \$40 per student per cent of tax effort.

H.B. 701

Author: Zerwas

Amends/Enacts: §151.801 Tax Code

Status: Pending in House Ways and Means Committee

Under this bill, state sales and use taxes on school supplies would go into the Foundation School Fund.

This bill is also discussed under the headings *Exemptions*; *Appraisals*; and *Miscellaneous*.

H.B. 1273

Author: Kolkhorst

Amends/Enacts: §42.25151 Education Code

Status: Pending in House Public Education Committee

This bill concerns instances in which school districts grant value limitations to property owners for purposes of economic development, but the property owners then make PILTs (payments in lieu of taxes) or provide other economic benefits to the school districts. A school district that received such a benefit would report it to the TEA, which would then reduce the school district's state funding by the amount of the benefit received. If the school district were wealthy, it would have to pay the state an amount equal to the benefit.

H.B. 1289

Author: Gutierrez

Amends/Enacts: §§155.001, 155.0211, 155.101, 155.102, 155.103, 155.111 and 155.2415

Status: Pending in House Ways and Means Committee

This bill would raise state taxes on snuff and direct the extra revenue to the Property Tax Relief Fund.

H.B. 1666

Author: Edwards

Amends/Enacts: §§155.001, 155.0211, 155.101, 155.102, 155.103, 155.111 and 155.2415

Status: Pending in House Ways and Means Committee

This is another bill that would raise state taxes on snuff and direct the extra revenue to the Property Tax Relief Fund.

H.B. 1735

Author: Burnam

Amends/Enacts: Chapter 261 Tax Code
Status: Pending in House Ways and Means Committee

This bill would impose a modest income tax on incomes over \$100,000 per year. Two-thirds of the money would go toward reducing school districts' property taxes. The other one-third would go the foundation school fund.

H.B. 2377

Author: Turner

Amends/Enacts: §§155.001, 155.0211, 155.101, 155.102, 155.103, 155.111 and 155.2415

Status: Pending in House Ways and Means Committee

This is another bill that would raise state taxes on snuff and direct the extra revenue to the Property Tax Relief Fund.

H.B. 2398

Author: Jackson

Amends/Enacts: §151.051 Tax Code; §47.001 Education Code

Status: Pending in House Ways and Means Committee

H.J.R. 81

Author: Jackson

Amends/Enacts: Art. VII, §5b Texas Constitution

Status: Pending in House Ways and Means Committee

This proposed constitutional amendment and related bill would raise the state sales tax rate from 6.25% to 7%. The extra sales-tax revenue would go into the Property Tax Relief Fund or into a new School Equalization Fund used to equalize M&O funding among school districts. .

H.B. 2499

Author: Dunnam

Amends/Enacts: §403.109 Government Code

Status: Pending in House Appropriations Committee

Money in the state's property tax relief fund could be used only to finance larger homestead exemptions or lower school tax rates until the state met one of two goals: 1) a general homestead exemption of at least \$45,000; or: 2) an average school M&O tax rate of \$1.33 or less. After that, two-thirds of the money in the fund would continue to go toward financing larger homestead exemptions or lower tax rates, but one-third could go toward increasing the level of equalization of school districts' enrichment tax efforts.

H.B. 2563

Author: Paxton

Amends/Enacts: §§42.2516 and 45.002 Education Code

Status: Pending in House Public Education Committee

The compression percentage for school districts' M&O taxes would be set at 66.67% for the state's current fiscal year. In subsequent years the compression would be determined by the Commissioner of Education in consultation with the Legislative Budget Board, but the compression percentage for one year could never be higher than the preceding year's compression percentage. If the compression percentage were ever reduced to zero, then, for five years, school districts could still assess M&O taxes at rates up to 17¢. After that, school districts could not assess M&O taxes at all.

H.B. 2830

Author: Parker

Amends/Enacts: §403.109 Government Code

Status: Pending in House Ways and Means Committee

After each state fiscal biennium, the Comptroller would transfer half of any unencumbered positive balance of general revenues into the property tax relief fund.

H.B. 3176

Author: King

Amends/Enacts: §42.005 Education Code

Status: Pending in House Ways and Means Committee

H.J.R. 97

Author: King

Amends/Enacts: Art. VIII, §1-e-1 Texas Constitution

Status: Pending in House Ways and Means Committee

This proposed constitutional amendment and related bill would abolish all school district M&O taxes beginning in 2014.

H.B. 3185

Author: Jackson

Amends/Enacts: §§155.021 and 155.2415 Tax Code

Status: Pending in House Ways and Means Committee

This bill would increase cigar taxes and devote the extra revenue to the Property Tax Relief Fund.

H.B. 3655

Author: Bohac

Amends/Enacts: §403.302 Government Code

Status: Pending in House Ways and Means Committee

In doing a school district's value study, the Comptroller would subtract any value that the district lost as the result of unequal-appraisal protests.

H.J.R. 63

Author: Jackson
Amends/Enacts: Art. VII, §3 Texas Constitution
Status: Pending in House Ways and Means Committee

This proposed constitutional would declare that taxes imposed by a school district are not state property taxes. In effect, it would overrule the Supreme Court's *West Orange Cove* decision.

H.B. 4117
Author: Bohac
Amends/Enacts: §403.302 Tax Code
Status: Pending in House Ways and Means Committee

Current law provides that when doing a school district's value study, the Comptroller should ensure that different levels of appraisal resulting from protests are "appropriately adjusted." This bill would make that requirement more specific by requiring the Comptroller to: 1) exclude from the samples used in the study any properties determined to significantly vary such that they adversely affected the accuracy and validity of the study; and 2) use values initially determined by the appraisal district rather than values reduced by the ARB.

S.B. 20
Author: Williams
Amends/Enacts: §§5.07, 5.10, 5.101, 5.102, 5.12, 5.13 and 41A.12 Tax Code; §§403.3011, 403.302 and 403.304 Government Code
Status: Passed by Senate; pending in House Ways and Means Committee

This omnibus bill includes the same value-study provisions found in H.B. 8 discussed above. This bill is also discussed under the headings *Appraisals, Appraisal Districts and ARBs, Appraisal District Litigation and Arbitration, Assessment and Miscellaneous*.

S.B. 393
Author: Patrick
Amends/Enacts: §42.2522 Education Code; §403.302 Government Code
Status: Pending in Senate Finance Committee

A school district would receive full credit in the Comptroller's value study for an optional percentage homestead exemption if the exemption were in effect for the 2009 tax year. The district would continue to receive full credit for the exemption in future years. If, however, a school district adopted a percentage exemption after 2009, it would receive credit for only half of the value lost due to the exemption. It would receive extra state funds as a result of the exemption only if the state had extra money available.

S.B. 440
Author: Ellis
Amends/Enacts: 42.004 Education Code
Status: Pending in Senate Education Committee

This bill would transfer many a number of responsibilities from the State Board of Education to the TEA. The TEA's commissioner would become the administrator of the Foundation School Program.

S.B. 570

Author: Lucio

Amends/Enacts: Chapter 46 Education Code

Status: Pending in Senate Education Committee

The instructional facilities allotment provided by the state to a school district under Subchapter A of Chapter 46 would become an "initial school facilities allotment" that would be available for only one year. Subchapter B would still provide state money to school districts to help them pay off certain bonds, but it would require districts to reduce their debt tax rates using a compression ratio determined by the Commissioner of Education. Instead of being based on a guaranteed yield of \$35 per student per cent of tax effort, the Chapter 46 allotments would be based on the revenue received by a school district in a certain (unspecified) percentile of wealth. School districts could also use penalties and interest collected on their delinquent taxes to pay off their bonds.

S.B. 574

Author: Jackson

Amends/Enacts: §41.0021 Education Code

Status: Pending in Senate Education Committee

A rich school district that suffered financial hardship as a result of a natural disaster would be temporarily exempted from the Robin-Hood law (Chapter 41 of the Education Code).

S.B. 644

Author: Shapiro

Amends/Enacts: §§41.0931, 42.0051, 42.2523 and 42.2524 Education Code

Status: Passed by Senate; passed by House Public Education Committee; pending in full House.

A school district harmed by a natural disaster would receive help from the State with respect to its disaster remediation costs. A district that wasn't rich could receive money from the State if the money were available in the Foundation School Program or if the legislature specifically appropriated funds. A rich district could either receive money from the State or reduce the amount that it paid to the State for attendance credits. The TEA would adjust the taxable value of property in a school district "as soon as possible" to reflect the effects of the natural disaster. The TEA would also adjust attendance figures to ensure that a school district would not suffer financially if a natural disaster prevented students from getting to school.

S.B. 1336

Author: Carona

Amends/Enacts: §§155.001, 155.0211, 155.101, 155.102, 155.103, 155.111 and 155.2415

Status: Pending in Senate Finance Committee

This is another bill that would raise state taxes on snuff and direct the extra revenue to the Property Tax Relief Fund.

S.B. 1494

Author: Williams

Amends/Enacts: §22.27 Tax Code and §552.148 Government Code

Status: Pending in Senate Finance Committee

This bill concerning the information available to a party protesting a value study is a companion to H.B. 2941 discussed above. This bill is also discussed under the heading *Appraisal Districts and ARBs*.

S.B. 2392

Author: Shapiro and Ogden

Amends/Enacts: §26.08 Tax Code; Chapters 41 and 42 Education Code; §403.302 Government Code

Status: Pending in Senate Education Committee

This bill was filed with several important parts left blank, presumably to get it in before the filing deadline. We assume that, sometime soon, the authors will offer amendments or a substitute that fills in the blanks. Until that happens, we can only make some general observations about the bill. It would change the limits on a school district's wealth and limit year-to-year increases in a district's total M&O revenue. It would change the calculation of a district's basic allotment and some additional allotments and adjustments. A district's local share of Tier-1 money would no longer be based on a rate of \$0.86. Instead it would be based on the compression percentage multiplied by the lower of \$1.50 or the district's 2005 M&O tax rate. A district's guaranteed Tier-2 money for the first 8¢ of enrichment tax effort would be based on the amount that would be generated in the Austin ISD, but it could not be less than the district received in the preceding year.

This bill is also discussed under the heading *Assessment*.

S.B. 2430

Author: Davis

Amends/Enacts: §§26.08 and 313.029 Tax Code; §§42.2522, 42.302, 44.004 and 45.003 Education Code

Status: Pending in Senate Education Committee

Under no circumstances could a school district adopt an M&O rate more than 4¢ higher than its M&O rate for the preceding year. Part of the bill indicates that school districts would no longer have to hold elections to approve or reject their tax rates, but another part seems to contemplate that those elections would continue.

For all of a school district's M&O tax effort over and above its compressed rate, the guaranteed yield would be based on the yield in the Austin ISD, but a school district's guaranteed yield could not go down from one year to the next regardless of what happened in Austin.

Miscellaneous

H.B. 88

Author: Martinez

Amends/Enacts: §§311.008 and 311.0085 Tax Code

Status: Pending in House Ways and Means Committee

Current law restricts the power of most cities and counties to use tax-increment funds for educational facilities. This bill would remove those restrictions. A city or county could use tax-increment funds to acquire, construct or reconstruct educational facilities that would be used jointly by the city or county and a local school district.

H.B. 134

Author: Villarreal

Amends/Enacts: Ch. 5 Tax Code; Ch.1151 and 1152 Occupations Code

Status: Pending in House Ways and Means Committee

This bill would do away with the Board of Tax Professional Examiners. The training and certification of property tax professionals and property tax consultants would fall under the authority of the Office of Property Appraisal, a division of the Comptroller's office. This bill is also discussed under the headings *Appraisals; Appraisal Districts and ARBs; Appraisal District Litigation and Arbitration; Assessment; Collections; and School Finance and Value Studies*.

H.B. 146

Author: Smith

Amends/Enacts: §§ 311.010 and 311.013 Tax Code

Status: Pending in House Ways and Means Committee

Under this bill, tax-increment funds could be used for the construction of a road, sidewalk or other public infrastructure inside or outside a reinvestment zone, including the cost of the real property necessary for the construction of the road, sidewalk or other public infrastructure. The bill would also expand the power of cities and other taxing units to offer tax abatements to owners of real property in a reinvestment zone in lieu of contributing to the tax-increment fund.

H.B. 300

Author: Isett

Amends/Enacts: §§21.02, 22.04 and Chapter 23 Tax Code

Status: Passed by House; substitute passed by Senate; pending in conference committee

This bill would create a Texas Department of Motor Vehicles that would assume many functions now performed by the Department of Transportation. References in the Tax Code to the Department of Transportation would be changed to refer to the Department of Motor Vehicles.

This bill also concerns transportation reinvestment zones created by cities or counties to promote transportation projects. A city or county could create such a zone to finance any type of “transportation project” listed in the Transportation Code. The money in a tax-increment account (or the portion of that money specified by the city) would have to be spent on the project for which the zone was created or on aesthetic improvements in the zone. Any excess funds could be used for other purposes as determined by the city. A city could contract with another public or private entity to develop or improve a transportation project and pledge or assign tax-increment funds to that entity. That entity could then use the pledge or assignment of the tax-increment funds to secure any bonds or other obligations it issued to raise money for the project. The city could change the boundaries of a transportation reinvestment zone, but could not remove property from the zone if it had pledged or assigned the tax-increment funds.

In a transportation reinvestment zone created by a county, the county could grant tax abatements “or other relief from ad valorem taxes.” A county, like a city, could pledge or assign tax-increment funds and change the boundaries of a zone. A county could use special assessments against properties in a zone to pay for a project.

H.B. 413

Author: Isett

Amends/Enacts: §311.017 Tax Code

Status: Passed by House Ways and Means Committee; pending in full House

This bill would allow the City of Lubbock to extend the expiration date for a reinvestment zone involved in tax-increment financing.

H.B. 417

Author: Callegari

Amends/Enacts: §311.008 Tax Code

Status: Passed by House Land and Resource Management Committee; pending in full House

Chapter 311 of the Tax Code governs tax-increment financing and gives cities and counties the authority to acquire property for public purposes in connection with the implementation of project plans. This bill would allow a city or county to take property by condemnation if the property is in a blighted area and is necessary for the reinvestment zone. Such a condemnation would be subject to Chapter 2206 of the Government Code, which generally prohibits condemnation for the benefit of private parties.

H.B. 649

Author: Davis

Amends/Enacts: §25.028 Tax Code

Status: Passed by House Ways and Means Committee; pending in full House

Any elected official could request that his name not be posted on the Internet by an appraisal district or its constituent taxing units. An official would make the request by filing a form with the appraisal district. The filing of that form would prohibit the appraisal district and the taxing units from posting the official's name. An appraisal district's website would have to tell officials how to prohibit the posting of their names.

H.B. 508

Author: Kolkhorst

Amends/Enacts: n/a

Status: Pending in House Ways and Means Committee

This bill would require the Comptroller to study the feasibility of a state transaction tax that would replace school property taxes and all other state taxes.

H.B. 701

Author: Zerwas

Amends/Enacts: §§26.012 and 31.01 and Chapter 326 Tax Code;

Status: Pending in House Ways and Means Committee

This bill would authorize a city or county to adopt an additional 0.50% sales tax with the revenues going to reduce its property tax rates. The tax would require the approval of the voters in the county or city in an election called by the governing body. A governing body would have to call an election if 5% of voters signed petitions calling for an election. If a consumer shopped at a store located in a city and a county both of which had adopted the additional sales tax, he would pay an extra 1.00% in combined sales taxes.

This bill is also discussed under the headings *Exemptions*; *Appraisals*; and *School Finance and Value Studies*.

H.B. 866

Author: Villarreal

Amends/Enacts: n/a

Status: Pending in House Ways and Means Committee

The Comptroller would form an advisory committee to study a possible "circuit-breaker" law. Such a law would limit the taxes on a person's homestead based on the person's annual income.

H.B. 1004

Author: Jones

Amends/Enacts: §311.017 Tax Code

Status: Passed by House Ways and Means Committee; pending in full House

This bill concerning a reinvestment zone in Lubbock is a companion to H.B. 413 discussed above.

H.B. 1159

Author: Kuempel

Amends/Enacts: §311.017 Tax Code

Status: Pending in House Ways and Means Committee

This bill would allow a city or county to extend the expiration date for an existing reinvestment zone involved in tax-increment financing. If, however, a city or county extended the expiration date for a zone, other taxing units would not have to continue contributing their tax increments after the originally scheduled expiration date for the zone, unless their governing bodies agreed to do so.

H.B. 1237

Author: Miklos

Amends/Enacts: §311.017 Tax Code

Status: Pending in House Ways and Means Committee

This bill would allow a city in Dallas County to extend the expiration date for an existing reinvestment zone involved in tax-increment financing.

H.B. 1271

Author: Rodriguez

Amends/Enacts: §311.011 Tax Code

Status: Pending in House Ways and Means Committee

This bill concerns a Travis County tax-increment financing plan involving a rail transportation project. Some of the tax-increment funds would have to go toward providing affordable housing in the reinvestment zone.

H.B. 1402

Author: Villarreal

Amends/Enacts: Chapter 320A Government Code

Status: Pending in House Ways and Means Committee

This bill would create a Select Commission on Periodic Tax Review and a Joint Legislative Tax Review Committee to periodically review all types of state and local taxation and to make recommendations to the legislature.

H.B. 1549

Author: McClendon

Amends/Enacts: §§21.02, 22.04 and Chapter 23 Tax Code

Status: Pending in House Transportation Committee

This bill would create a Texas Department of Motor Vehicles that would assume many functions now performed by the Department of Transportation. References in the Tax Code to the Department of Transportation would be changed to refer to the Department of Motor Vehicles.

H.B. 1677

Author: Smith

Amends/Enacts: §2051.101 Government Code

Status: Passed by House State Affairs Committee; pending in full House

A map or other “geospatial data product” created or hosted by a governmental entity would have to contain a disclaimer if it were not prepared by a registered professional land surveyor doing an on-the-ground survey.

H.B. 1773

Author: Fletcher

Amends/Enacts: §25.025 Tax Code

Status: Passed by House State Affairs Committee; pending in full House

The list of people who can have their home addresses kept confidential by appraisal districts and taxing units would be expanded to include current and former employees of the Attorney General who are or were assigned to a division with law-enforcement duties.

H.B. 1810

Author: Pickett

Amends/Enacts: §§222.105 - 222.108 Transportation Code

Status: Passed by House; pending in Senate Administration Committee

This bill concerns transportation reinvestment zones created by cities or counties to promote transportation projects. A city or county could create such a zone to finance any type of “transportation project” listed in §370.003 of the Transportation Code. The money in a tax-increment account (or the portion of that money specified by the city) would have to be spent on the project for which the zone was created or on aesthetic improvements in the zone. If tax-increment funds remain after paying for a designated project or after the termination of a zone, those excess funds could be used for other purposes as determined by the city. A city could contract with another public or private entity to develop or improve a transportation project and pledge or assign tax-increment funds to that entity. That entity could then use the pledge or assignment of the tax-increment funds to secure any bonds or other obligations it issued to raise money for the project. The city could change the boundaries of a transportation reinvestment zone, but could not remove property from the zone if it had pledged or assigned the tax-increment funds.

In a transportation reinvestment zone created by a county, the county could grant tax abatements “or other relief from ad valorem taxes.” A county, like a city, could pledge or assign tax-increment funds and change the boundaries of a zone.

H.B. 2316

Author: Villarreal

Amends/Enacts: §311.008 Tax Code

Status: Pending in House Ways and Means Committee

A city council or county commissioners' court asked to create a reinvestment zone for purposes of tax-increment financing could charge a reasonable fee to cover the estimated costs of reviewing a proposed project. The city council or county commissioners' court could collect reasonable fees from property owners who petition for the creation of reinvestment zones.

H.B. 2550

Author: Howard

Amends/Enacts: §§1152.152 and 1152.161 Occupations Code

Status: Pending in House Licensing and Administrative Procedures Committee

This bill would double the number of hours of classroom instruction required for someone to become a registered tax consultant. The would-be consultant would also have to pass a written test. A lawyer or registered senior property tax consultant could not employ, claim association with or sponsor more than ten registered consultants.

H.B. 3222

Author: Hancock

Amends/Enacts: §311.0035 Tax Code

Status: Passed by House; passed by Senate Economic Development Committee; pending in full Senate

Two or more cities could create a "joint reinvestment zone" for purposes of tax-increment financing.

H.B. 3477

Author: Bolton

Amends/Enacts: §775.018 Health and Safety Code

Status: Passed by House; passed by Senate Finance Committee; pending in full Senate

An emergency services district could adopt a tax rate of up to 15¢, 10¢ for operating and capital support and 5¢ for the acquisition of land, equipment or apparatus or the construction of capital improvements. The additional tax for the acquisition of property or for construction would have to be approved by the district's voters in an election.

H.B. 3484

Author: Coleman and Oliviera

Amends/Enacts: Chapter 311 Tax Code

Status: Passed by House; pending in Senate Finance Committee

This bill would make numerous changes to the law governing tax-increment financing. Those changes would include eliminating some requirements concerning the size and composition of a reinvestment zone including the requirement that a reinvestment zone be one contiguous area. A city could create a zone wholly or partly in its extraterritorial jurisdiction. A city could charge a fee for processing an application for the creation of a zone. Two cities could create a joint zone extending into each of their jurisdictions.

When a city or county created a reinvestment zone, other taxing units would receive less in the way of notice and have less of an opportunity to participate than they have now. Each taxing unit that agreed to contribute its tax increments would appoint a director of a zone. It would be easier for the city or county that created a zone to extend the life of the zone, but other taxing units would not be required to continue contributing during the zone's extended life. If a zone terminated, the city or county that created it could continue its existence for the limited purpose of using the zone's existing assets to continue its project and financing plans.

"Project costs" could include costs of schools and other educational facilities owned by a school district or other local government and costs of providing affordable housing and areas of public assembly. An agreement between a zone's board and the city or county that created the zone could include provisions for the construction of roads or other public infrastructure inside or outside the zone. Under current law, the directors of a zone can make grants and loans but only in an aggregate amount that does not exceed the tax increments contributed by the taxing unit that created the zone. This bill would remove that limitation. Figures in a project plan would be considered estimates and would not limit the actual costs of a project. The deadline for the city or county that created a zone to make its annual report to other taxing units would be extended from the 60th day following the end of a fiscal year to the 150th day following the year's end.

A taxing unit could choose whether to calculate its tax increment based on taxes assessed or on taxes actually collected. It could choose to calculate its tax increment using a base year other than the base year of the zone. It could choose to direct its tax increment to particular projects. If a taxing unit chose to offer tax abatements as an alternative to contributing its tax increments to a zone, each abatement agreement would have to be approved by the zone's board and the governing bodies of the taxing units that did contribute to the zone. The city or county that created a zone would be responsible for administering the zone's tax-increment funds unless it delegated that responsibility to the zone's board.

H.B. 3596

Author: Parker

Amends/Enacts: §25.028 Tax Code

Status: Pending in House Ways and Means Committee

Any property owner could request that appraisal districts and taxing units keep his identity confidential. A property owner would make that request on a form prescribed by the Comptroller. The Internet website of an appraisal district or taxing unit would have to inform property owners about their right to confidentiality.

H.B. 4184

Author: Christian

Amends/Enacts: Title 1 Tax Code

Status: Pending in House Ways and Means Committee

This bill would abolish all property taxes.

H.B. 4613

Author: Oliviera

Amends/Enacts: Chapter 311 Tax Code

Status: Passed by House Ways and Means Committee; pending in full House

This bill would make numerous changes to the law governing tax-increment financing. Those changes would include eliminating some requirements concerning the size and composition of a reinvestment zone including the requirement that a reinvestment zone be one contiguous area. A city could create a zone wholly or partly in its extraterritorial jurisdiction. A city could charge a fee for processing an application for the creation of a zone. Two cities could create a joint zone extending into each of their jurisdictions. When a city or county created a reinvestment zone, other taxing units would receive less in the way of notice and have less of an opportunity to participate than they have now. Each taxing unit that agreed to contribute its tax increments would appoint a director of a zone. It would be easier for the city or county that created a zone to extend the life of the zone, but other taxing units would not be required to continue contributing during the zone's extended life. If a zone terminated, the city or county that created it could continue its existence for the limited purpose of using the zone's existing assets to continue its project and financing plans.

"Project costs" could include costs of schools and other educational facilities owned by a school district or other local government and costs of providing affordable housing and areas of public assembly. An agreement between a zone's board and the city or county that created the zone could include provisions for the construction of roads or other public infrastructure inside or outside the zone. Under current law, the directors of a zone can make grants and loans but only in an aggregate amount that does not exceed the tax increments contributed by the taxing unit that created the zone. This bill would remove that limitation. Figures in a project plan would be considered estimates and would not limit the actual costs of a project. The deadline for the city or county that created a zone to make its annual report to other taxing units would be extended from the 60th day following the end of a fiscal year to the 150th day following the year's end.

A taxing unit could choose whether to calculate its tax increment based on taxes assessed or on taxes actually collected. It could choose to calculate its tax increment using a base year other than the base year of the zone. It could choose to direct its tax increment to particular projects. If a taxing unit chose to offer tax abatements as an alternative to contributing its tax increments to a zone, each abatement agreement would have to be approved by the zone's board and the governing bodies of the taxing units that did contribute to the zone. The city or county that created a zone would be responsible for administering the zone's tax-increment funds unless it delegated that responsibility to the zone's board.

H.J.R. 38

Author: King

Amends/Enacts: Art. III, §49-g Texas Constitution

Status: Pending in House Ways and Means Committee

This proposed constitutional amendment would have some effects on the state's property tax relief fund. At the end of each biennium, the Comptroller would transfer one-quarter of any excess general revenues into the fund. The amendment would also

generally expand the legislature's authority to transfer money into the fund, but any proposal to take money from the fund and use it for something else would require a four-fifths vote in each house. The amendment would also give the Comptroller authority to make rules for the disbursement of money from the fund to school districts.

H.J.R. 112

Author: Bolton

Amends/Enacts: Art. III, §48-e Texas Constitution

Status: Passed by House Ways and Means Committee; pending in full House

An emergency services district could adopt a tax rate of up to 15¢, 10¢ for operating and capital support and 5¢ for the acquisition of land, equipment or apparatus or the construction of capital improvements. The additional tax for the acquisition of property or for construction would have to be approved by the district's voters in an election.

H.J.R. 133

Author: Christian

Amends/Enacts: Art. VIII, §1-e-1 Texas Constitution

Status: Pending in House Ways and Means Committee

This proposed constitutional amendment and related bill would abolish all property taxes.

S.B. 20

Author: Williams

Amends/Enacts: n/a

Status: Passed by Senate; pending in House Ways and Means Committee

The Comptroller would form an advisory committee to study a possible "circuit-breaker" law. Such a law would limit the taxes on a person's homestead based on the person's annual income.

This bill is also discussed under the headings *Appraisals, Appraisal Districts and ARBs, Appraisal District Litigation and Arbitration, Assessment, and School Finance and Value Studies*.

S.B. 280

Author: Nelson

Amends/Enacts: §§552.024 and 552.117 Government Code

Status: Pending in Senate State Affairs Committee

Under current law, certain information about governmental officials and employees can be kept confidential if the officials or employees choose to have it kept confidential. Under this bill, information would automatically be confidential if it related to the home address, home telephone number, date of birth, shift assignment or social security number of an employee, official, former employee or former official of a governmental body, or if the information revealed whether the person had family members. A

protected person who wanted his information made public could achieve that result by making a written request to the governmental entity in possession of the information.

S.B. 313

Author: Wentworth and Eltife

Amends/Enacts: §311.017 Tax Code

Status: Passed by Senate; amended version passed by House; pending in conference committee

This bill would allow a city or county to extend the expiration date for an existing reinvestment zone involved in tax-increment financing. If, however, a city or county extended the expiration date for a zone, other taxing units would not have to continue contributing their tax increments after the originally scheduled expiration date for the zone, unless their governing bodies agreed to do so. A taxing unit's tax increment would be defined in terms of taxes "assessed and levied," not taxes actually collected. The termination of a zone would not affect a taxing unit's deadline for paying its tax increment.

The House version is essentially the same as H.B. 3484 discussed below under *Dead Bills*.

S.B. 331

Author: Carona

Amends/Enacts: §§552.024, 552.117, 552.138 and 552.150 Government Code

Status: Passed by Senate; passed by House State Affairs Committee; pending in full House

This bill would provide greater confidentiality for information about current or former government officers and employees. Information such as a person's home address, telephone number, etc. would be confidential without the person having to request that confidentiality. Information that could compromise the safety of a government officer or employee would be confidential.

S.B. 402

Author: Eltife

Amends/Enacts: §§ 26.012 and 31.01 and Chapter 326 Tax Code

Status: Passed by Senate Finance Committee; pending in full Senate

This bill would authorize a city or county to adopt an additional 0.25% sales tax with the revenues going to reduce its property tax rates. The tax would require the approval of the voters in the county or city in an election called by the governing body. A county or city that adopted the sales tax would substitute a figure of 1.05 for 1.08 in its rollback rate calculation. If a consumer shopped at a store located in a city and a county both of which had adopted the additional sales tax, he would pay an extra .50% in combined sales taxes. Property tax bills would have to include the taxpayer's estimated property-tax savings resulting from the additional sales tax.

S.B. 626

Author: Carona

Amends/Enacts: §§21.02, 22.04 and Chapter 23 Tax Code

Status: Passed by Senate; pending in House Transportation Committee

This bill would create a Texas Department of Vehicles that would assume many functions now performed by the Department of Transportation. References in the Tax Code to the Department of Transportation would be changed to refer to the Department of Vehicles.

S.B. 898

Author: Shapleigh

Amends/ Enacts: §§222.105 and, 222.106 Transportation Code

Status: Passed by Senate; passed by House Transportation Committee; pending in full House

This bill concerns transportation reinvestment zones created by cities for purposes of tax-increment financing. A city could use such a zone to acquire, improve, construct or operate a freight or passenger rail facility or system. A zone created for rail transportation purposes would terminate on the earlier of: 1) the termination date specified in the city's ordinance creating the zone; or 2) the date when all costs and debts associated with the rail project were paid.

S.B. 1008

Author: Estes

Amends/Enacts: §5.04 Tax Code; Chapter 1151 Occupations Code; §§411.122 and 2054.353 Government Code

Status: Pending in Senate Government Organization Committee

This bill would do away with the BTPE and transfer its duties to the Texas Department of Licensing and Regulation. It is a companion to H.B. 2447 discussed above.

S.B. 1671

Author: Nichols

Amends/Enacts: §221.106 Transportation Code

Status: Pending in Senate Economic Development Committee

Current law allows a city to create a transportation reinvestment zone and use tax-increment financing to promote certain types of toll-road projects described in §222.104 of the Transportation Code. This bill would allow tax-increment financing for other types of "transportation projects" as well.

S.B. 1692

Author: Wentworth

Amends/Enacts: §25.025 Tax Code

Status: Passed by Senate; passed by House State Affairs Committee; pending in full House

The list of people who can have their home addresses kept confidential by appraisal districts and taxing units would be expanded to include current and former employees of the Attorney General who are or were assigned to a division dealing with law enforcement.

S.B. 1870

Author: Hegar

Amends/Enacts: Chapter 1152 Occupations Code

Status: Pending in Senate Finance Committee

This bill would double the number of hours of classroom instruction required for someone to become a registered tax consultant. The would-be consultant would also have to pass a written test. A lawyer or registered senior property tax consultant could not employ, claim association with or sponsor more than ten registered consultants. The bill would also prohibit many types of inappropriate conduct by tax consultants. That part of the bill is virtually identical to H.B. 2591 discussed above.

S.B. 1928

Author: Watson

Amends/Enacts: n/a

Status: Pending in Senate Finance Committee

This bill requiring a study of a possible “circuit-breaker” law is a companion to H.B. 866 discussed above.

S.B. 1947

Author: West

Amends/Enacts: §311.0035 Tax Code

Status: Passed by Senate; amended version passed by House Ways and Means Committee; pending in full House

Two or more cities could create a “joint reinvestment zone” for purposes of tax-increment financing.

S.B. 2174

Author: Harris

Amends/Enacts: §311.0085 Tax Code

Status: Passed by Senate Economic Development Committee; pending in full Senate

This bill concerning tax-increment financing in the City of Grand Prairie is a companion to H.B. 752 discussed above.

S.B. 2212

Author: Lucio

Amends/Enacts: §§775.018, 775.074 and 775.0745 Health and Safety Code

Status: Passed by Senate Finance Committee; pending in full Senate

S.J.R. 43

Author: Lucio

Amends/Enacts: Art. III, §48-e Texas Constitution

Status: Passed by Senate; pending in House Ways and Means Committee

An emergency services district could adopt a tax rate of up to 15¢, 10¢ for operating and capital support and 5¢ for the acquisition of land, equipment or apparatus or the construction of capital improvements (e.g., fire stations). The additional tax for the acquisition of property or for construction would have to be approved by the district's voters in an election. The rate for the additional tax could not be above 3¢ for the first two years following the election, even if the voters had approved a higher rate. Money from the tax would be kept in a special fund separate from the district's M&O funds.

S.B. 2378

Author: Nichols

Amends/Enacts: §§222.105 - 222.108 Transportation Code

Status: Passed by Senate; substitute passed by House Transportation Committee; pending in full House

This bill concerns transportation reinvestment zones created by cities or counties to promote transportation projects. A city or county could create such a zone to finance any type of "transportation project" listed in §370.003 of the Transportation Code. The money in a tax-increment account (or the portion of that money specified by the city) would have to be spent on the project for which the zone was created. If tax-increment funds remain after paying for a designated project or after the termination of a zone, those excess funds could be used for other purposes as determined by the city. A city could contract with another public or private entity to develop or improve a transportation project and pledge or assign tax-increment funds to that entity. That entity could then use the pledge or assignment of the tax-increment funds to secure any bonds or other obligations it issued to raise money for the project. The city could change the boundaries of a transportation reinvestment zone, but could not remove property from the zone if it had pledged or assigned the tax-increment funds.

In a transportation reinvestment zone created by a county, the county could grant tax abatements "or other relief from ad valorem taxes." A county, like a city, could pledge or assign tax-increment funds and change the boundaries of a zone.

The House version differs slightly from the Senate version. The House version is virtually identical to H.B. 1810 discussed above.