

Pending Property Tax Legislation for the 85th Legislative Session

By Sands Stiefer

This summary of pending legislation for the 85th legislative session is prepared by Olson & Olson for the benefit of local government officials and staff. It will be updated weekly to reflect new bills filed and changes to bills as they work their way through the session. These are summaries; readers should refer to the text of filed bills for full details. This issue is organized by bill number. This edition reflects bills filed through 10 PM, January 12, 2017.

Appraisal Caps -- HB 44 by Keogh

Reduces cap to 5% & extends it to all real property

This bill amends Tax Code Sec. 23.23 to provide that the homestead limitation applies to all real property; it reduces the cap percentage from 10% to 5; it provides that the cap continues upon transfer to a spouse or surviving spouse; and it provides that for property owned by two or more persons the limitation expires if at least 50% of the interest in the property is sold or transferred.

Last Action: Filed 11/14/2016

Effective Date: 1/1/18, if Const Amendmt passes

Sections Affected: Tax 1.12; 23.23; 42.26; GOVT 403.302

Appraisal Administration -- HB 85 by Keogh

Chief appraiser elected by voters of county

This bill amends Tax Code Sec. 6.05 to provide that the chief appraiser is elected in the general election for county officers. To be eligible, a candidate must be a current and four-year resident of the county. New Sec. 6.0502 provides for filing fees and ballot procedures. Sec. 87.01 Gov't Code is amended to provide that commissioners court fills a vacancy. Sec. 52.092, Election Code, is amended to require the secretary of state to prescribe procedures for listing the office on the ballot. The first elected chief appraisers' term begins January 1, 2019. There are various conforming and transition amendments.

Last Action: Filed 11/15/2016

Effective Date: 9/1/2017

Sections Affected: Tax 1.15, 5.041, 6.035, 6.05, 6.0502, 6.41, 22.28, 42.21, Election, and Local Gov't Codes

Exemptions -- HB 102 by Guillen

10 year local option exemption for the real and personal property of a new business

This bill adds Tax Code Sec. 11.36, which provides for a local option exemption of real and tangible personal property located in a county with a population of 250,000 or less. The owner must meet the definition of a new business and the property must be reasonably necessary for the business. The exemption expires after 10 years, or the earlier of the date on which the person ceases to qualify, or the date the comptroller revokes the person's sales tax number. The exemption may be adopted for the

current year before April 15; otherwise it takes effect for the following year. It continues until repealed. The repealer doesn't affect the right to exemption of those who have it on the date it is repealed. The comptroller establishes rules and procedures. The chief appraiser must promptly notify the comptroller if a person ceases to meet the new business requirements. Sec. 11.42 is amended to provide a deadline for application of one year after the person qualifies, and Sec. 26.1125 provides for proration if the person qualifies after the first of the year. New Sec. 151.3183, Tax Code, provides that a person is a new business if primarily located in a county of 250,000 or less, first located and begins business in the state on or after 1/1/2018, is not substantially similar in operation and ownership to another business located in the state in any part of the preceding five years, and is primarily engaged in certain manufacturing or research, and creates at least one new job within 30 days after the date the business first locates in the state. Qualifying job is new, permanent, full time, and held by an employee for 10 out each 12 month period. The comptroller issues registration numbers and adopts rules to implement.

Last Action: Filed 11/16/2016

Effective Date: 9/1/17, if Const Amendmt passes

Sections Affected: Tax 11.36, 11.42, 11.43, 26.115, and 151.3183

Appraisal Administration -- HB 119 by Craddick

Mineral in place ownership determined on basis of recorded instruments, no operators can be compelled to provide

This bill amends Tax Code Sec. 25.12 to provide that the chief appraiser must determine ownership of interests in minerals in place on the basis of recorded title instruments. The chief appraiser may not require a railroad commission designated operator who owns an interest in place to provide information regarding ownership by others as a condition for listing the operator's interest separately.

Last Action: Filed 11/17/2016

Effective Date: 9/1/2017

Sections Affected: Tax 25.12

Appraisal Review Board -- HB 139 by Bell

Certified mail hearing notice on property owner request; ARB may set charges

This bill amends Sec. 41.46, Tax Code, to require the ARB to deliver notice of a protest hearing by certified mail if the owner requests it to do so in the protest. The board may require the property owner to pay postage cost.

Last Action: Filed 11/18/2016

Effective Date: 9/1/2017

Sections Affected: Tax 41.46

Exemptions -- HB 150 by Bell

Changes to donated homestead veteran exemption

This bill amends Sec. 11.132, Tax Code, to extend the exemption to a homestead that was donated to the veteran by a charity at some cost to the veteran. Cost could be cash, mortgage, or both, but cannot exceed 50% of the good faith estimate of the market value of the homestead made by the organization as of the date of the donation.

Last Action: Filed 12/5/2016

Effective Date: 1/1/2018, if Const Amendmt passes

Sections Affected: 11.132

Appraisal Caps -- HB 167 by Bell

Reduces cap to 5% & extends it to all real property

This bill amends Tax Code Sec. 23.23 to provide that the homestead limitation applies to all real property; it reduces the cap percentage from 10% to 5; it provides that the cap continues upon transfer to a spouse or surviving spouse, provides that for property owned by two or more persons the limitation expires if at least 50% of the interest in the property is sold or transferred. The bill makes conforming amendments to other sections.

Last Action: Filed 11/19/2016

Effective Date: 1/1/18 , if Const Amendmt passes

Sections Affected: Tax 1.12; 23.23; 42.26; GOVT 403.302

Appraisal Administration -- HB 182 by Bernal

Study of sales disclosure

This bill requires the comptroller to study the impact of real property sales price disclosure. The comptroller must establish an advisory committee including representatives of school districts, other taxing units, appraisal districts, public policy organizations, organizations representing taxpayers, and other interested or public members, as determined by the comptroller. The study must address changes in tax burdens, impact of the current system and the new system, and compare burdens on specified categories of property. The comptroller may contract with CADS or other entities for assistance and information. The comptroller reports findings and recommendations not later than 12/1/2018 to the governor, lieutenant governor, and speaker.

Last Action: Filed 11/20/2016

Effective Date: Immediate or 9/1/2017

Sections Affected: NA

Collections -- HB 198 by Bernal

Extends right to pay taxes in installments to all who receive homestead exemption

This bill amends Tax Code Sec. 31.031(a), which currently provides for installment payments by elderly, disabled, and disabled veterans, to provide for installment payments by all residence homestead (11.13), donated veteran homestead (11.132), and disabled veteran or survivor (11.22) exemptions. Applies to tax years 2018 forward.

Last Action: Filed 11/21/2016

Effective Date: 1/1/2018

Sections Affected: 31.031

Collections -- HB 217 by Canales

Extends tax deferral to holder of disabled veteran's exemption

This bill amends Sec. 33.06, Tax Code, to provide that a person qualified for the disabled veteran or survivor exemption (Sec. 11.22) may defer taxes on the person's homestead.

Last Action: Filed 11/22/2016

Effective Date: 9/1/2017

Sections Affected: 33.06

Special Appraisal -- HB 231 by Rodriguez, Eddie

Urban farm bill; adds fruits and vegetables & small scale production to 1-d-1 agricultural appraisal

This bill amends the definition of qualified land in Sec. 23.51, Tax Code. The chief appraiser is required to distinguish degrees of intensity required for common and uncommon production methods, including organic, sustainable, pastured poultry, and rotational grazing. The definition of agricultural use in that section is amended to include production of fruits and vegetables. New Sec. 23.5215 requires the comptroller to develop guidelines for certain uncommon agricultural uses. The comptroller

must work in consultation with Texas A&M AgriLife Extension service and representatives of CADs and producers selected by the comptroller. The guidelines must specifically address degree of intensity for cumulative multiple agricultural uses of land and guidelines for determining under what conditions tracts under 10 acres used for fruit, vegetables, poultry, hogs, sheep, or goats may qualify. The guidelines must prohibit conversion of qualified land to wildlife management. Guidelines may address recordkeeping requirements and may consider financial investment, active management, percentage of tract used, and any other factor the comptroller considers appropriate. The comptroller must provide education resources to chief appraisers. Guidelines must be distributed on or before 9/1/2018

Last Action: Filed 11/23/2016

Effective Date: 9/1/2017

Sections Affected: Tax 23.51,23.5215

Appraisal Caps -- HB 301 by Larson

Cap on increases in value of property previously lowered

This bill amends Tax Code Sec. 23.01 to provide that the "substantial evidence" requirement to support a value increase applies if the property's value was reduced by agreement in the previous year. New subsection (e-1) provides that if property value was lowered by agreement or appeal under Subtitle F in the previous year, the chief appraiser may not increase the appraised value of the property by more than 5% plus the market value of all new improvements to the property. The limitation does not apply if the increase results from loss of special appraisal under Subchapters C, D, E, F, G, or H or the expiration of a homestead cap

Last Action: Filed 12/6/2016

Effective Date: 1/1/18, , if Const Amendmt passes.

Sections Affected: Tax 23.01

Exemptions -- HB 302 by Goldman

Increases mineral interest exemption to \$2,000

This bill amends Sec. 11.146, Tax Code, to increase the exemption for mineral interests from \$500 to \$2,000.

Last Action: Filed 12/7/2016

Effective Date: 1/1/18

Sections Affected: Tax 11.146

Special Appraisal -- HB 320 by Canales

Reduces open-space rollback period from 5 years to 2 years

This bill amends Sec. 23.55, Tax Code, to reduce the "rollback" additional tax recapture for change of use from the preceding five years' tax savings to the preceding two years' tax savings. Applies to changes in use on or after the effective date.

Last Action: Filed 12/8/2016

Effective Date: 9/1/2017

Sections Affected: 23.55

Assessment -- HB 345 by Canales

Reduces rollback rate to 1.05 unless inflation rate is greater

This bill amends Sec. 26.04, Tax Code, to reduce the increase factor in the rollback rate for a covered jurisdiction from 1.08 to 1.05. The bill provides that if the inflation rate exceeds 5%, the lesser of the inflation rate or .08 is substituted in the calculation. Amendments to Sec. 26.012 defines inflation rate as an amount determined and published by the comptroller in the Texas register. The amount is the percentage change in the consumer price index that the comptroller considers to most accurately report changes in purchasing power in the state. The comptroller must publish the index by August 1 of each year.

Conforming amendments are made to Sec. 26.041. Sec. 49.236, Water Code, is amended to make conforming changes to the provisions affecting a conservation and reclamation district. Changes apply to the 2017 tax year unless the unit has adopted a rate by the date the bill takes effect

Last Action: Filed 11/25/2016

Effective Date: Immediate or 9/1/2017

Sections Affected: Tax 26.012, 26.04, 26.041, Water 49.236, 49.2361

Appraisal Caps -- HB 376 by Metcalf

Reduce HS cap to 5%

This bill amends Tax Code Sec. 23.23 to provide that the homestead limitation is reduced from 10% to 5%. The bill applies to tax years on or after the effective date.

Last Action: Filed 11/16/2016

Effective Date: 1/1/18 , if Const Amendmt passes

Sections Affected: Tax 23.23

Appraisal Administration -- HB 379 by Bernal

Mandatory sales disclosure

This bill adds Sec. 12.0013, Property Code, which provides that a person may not record an instrument that conveys real property under a contract for sale unless the instrument discloses the sale price of the property. A property purchaser is liable to the state for a 5% civil penalty if the purchaser records an instrument in violation of the section. The attorney general, county attorney, or district attorney may sue to recover a penalty. The section does not apply to conveyances solely of mineral instruments.

Last Action: Filed 11/16/2016

Effective Date: 1/1/17

Sections Affected: Property 12.0013

Exemptions -- HB 382 by Murphy

Exempt real property leased to charter school

This bill adds Sec. 11.211, Tax Code. The section exempts real property that is leased to an open enrollment charter school that is authorized by Chapter 12, Subchapter D, Education Code and meets the requirements of Sec. 11.21(d), Tax Code (private school). The real property must be used exclusively for educational functions and reasonably necessary for the operation of the school. The owner must certify in an affidavit that the rent will be reduced in an amount equal to the tax savings. The owner must provide the school a disclosure statement regarding savings and the method of ensuring they are passed on, and the rent must reflect the reduction. Sec. 25.07 does not apply to a leasehold interest in property exempted under the section.

Last Action: Filed 11/16/2016

Effective Date: 1/1/18 contingent on constitutional amendment

Sections Affected: Tax 11.211

Special Appraisal -- HB 386 by Murphy

Qualifying jobs for Chapter 313 agreement

This bill amends Sec. 313.021, Tax Code, to modify the requirements for qualifying jobs under an agreement. A transferred job is qualifying if it represents a net new job in the state. Qualifying pay must be at least 110 percent of the lesser of the state median annual wage for manufacturing jobs or the county average annual wage. County average annual wage and state median annual wage are defined. Sec. 313.024 is amended to conform. Sec. 313.032 is amended to require the comptroller to

verify certain data using information from TWC, the chief appraiser, and other reliable sources. Applies only to agreements made on or after the effective date.

Last Action: Filed 11/16/2016

Effective Date: 9/1/17

Sections Affected: Tax 313.021, 313.024, and 313.032

Assessment -- HB 486 by Howard

Rollback rate for some school districts

This bill amends Sec. 26.08, Tax Code, adding new subsection (g) to set a rollback tax rate for a school district that (a) had a maintenance and operation tax rate below \$1.50 per \$100 in 2005 and (b) had an adopted tax rate approved in an election in any succeeding year. For such a unit, the rollback tax rate is the higher of the rate computed under Sec. 26.08(n) or the sum of the highest maintenance and operations rate approved in a ratification election in 2007 or later, and the current debt rate. Subsection (g) applies only if the district has adopted a tax rate equal to or higher than the subsection (g) rate. Sec. 2 of the bill requires the comptroller to study tax rate adoption statistics before and after the bill takes effect. The comptroller must report the results by December 1, 2019. The bill applies to 2017 and later school district tax rates. It applies beginning in 2018 if the district has already adopted its 2017 rate by the effective date.

Last Action: Filed 11/16/2016

Effective Date: Immediate or 9/1/17

Sections Affected: Tax Sec. 26.08

Exemptions -- HB 425 by Button

Exempt retail inventory from property tax

This bill adds Tax Sec. 11.35, providing for an exemption from school taxes of the appraised value of inventory held for sale at retail. The exemption does not apply to real property or to dealers' inventory appraised under Secs. 23.121, 23.1241, 23.124, or 23.127

Last Action: Filed 11/21/2016

Effective Date: 1/1/18 , if Const Amendmt passes

Sections Affected: Tax 11.35

Exemptions -- HB 445 by Frank

Limits on abatements for wind facilities near military installations

This bill adds Sec. 312.0021 and amends Sec. 313.024, Tax Code, to provide that installation or construction of a wind powered energy device within nautical 30 miles of a military aviation facility makes the land on which it is installed ineligible for abatement (312.0021) or school district tax limitation (313.024). The amendments apply to agreements entered into on or after September 1, 2017, and only to installation or construction of a wind powered device on or after that date. A military aviation facility is defined as a base, station, fort, camp, auxiliary airfield, or range at which a branch of the US military (Army, Navy, Marine Corps, Coast Guard) or a branch reserve conducts aviation operations or training. The bill applies to tax years 2018 forward.

Last Action: Filed 11/22/2016

Effective Date: 1/1/2018

Sections Affected: Tax 312.0021 and 313.024

ARB -- HB 455 by Metcalf

Allow property owner to present argument to ARB by telephone

This bill amends Sec. 41.45, Tax Code, to provide that an owner may appear before the ARB by a combination of affidavit and telephone. The owner must provide evidence by affidavit and may appear by telephone to offer argument. To appear, the owner must notify the ARB in the notice of protest or in a separate notice filed no later than the 10th day before the hearing. If an owner provides notice the ARB must provide a number for the owner to call. The board must hold the hearing at a telephone equipped location. The equipment must allow the board and others present to hear the argument. Applies for protests filed on or after the effective date.

Last Action: Filed 11/28/2016

Effective Date: 9/1/17

Sections Affected: Tax Sec. 41.45

Appraisal Administration -- HB 457 by Holland

Peace officer's spouse and adult child home address confidential

This bill amends Sec. 25.025(a)(1), Tax Code, to provide that a spouse, a surviving spouse, and an adult child of an eligible current or former peace officer to have their home address information kept confidential.

Last Action: Filed 11/29/2016

Effective Date: Immediate or 9/1/17

Sections Affected: Tax Sec. 25.015

Assessment -- HB 486 by VanDeaver

Rollback rate for some school districts

This bill amends Sec. 26.08, Tax Code, adding new subsection (g) to set a rollback tax rate for a school district that (a) had a maintenance and operation tax rate below \$1.50 per \$100 in 2005 and (b) had an adopted tax rate approved in an election in any succeeding year. For such a unit, the rollback tax rate is the higher of the rate computed under Sec. 26.08(n) or the sum of the highest maintenance and operations rate approved in a ratification election in 2007 or later, and the current debt rate. Subsection (g) applies only if the district has adopted a tax rate equal to or higher than the subsection (g) rate. Sec. 2 of the bill requires the comptroller to study tax rate adoption statistics before and after the bill takes effect. The comptroller must report the results by December 1, 2019. The bill applies to 2017 and later school district tax rates. It applies beginning in 2018 if the district has already adopted its 2017 rate by the effective date.

Last Action: Filed 12/2/2016

Effective Date: Immediate or 9/1/17

Sections Affected: Tax Sec. 26.08

Appraisal Administration -- HB 495 by Phelan

CAD Directors elected by county precinct

This bill amends Sec. 6.03, Tax Code, to provide that the CAD is governed by a board of five directors. One director is elected from each of the four county precincts, and the county assessor-collector is a director by virtue of office. If the county assessor-collector is ineligible to serve, a fifth director is elected from the county at large. Directors serve two-year terms beginning on January 1 of odd numbered years. Precinct directors must reside in their precinct; all directors must have resided in the appraisal district for at least two years before taking office. Vacancies are filled by commissioners court. A director elected from a precinct is not disqualified from serving their term if precinct boundaries changes result in the director no longer residing in the precinct. Similarly, if the boundary change occurs between the director's election and date of taking office, the director is not disqualified. Conforming amendments are made to Secs. 5.12, 5.13, 6.051, 6.06, 6.061, and 6.063 to change references to "taxing units entitled to vote" to the group of taxing units composed of the municipalities, school districts, junior college districts, and the county participating in the appraisal district. Conforming amendments concerning the county assessor-collector are made to Sec. 6.15. Sec. 52.092, Election Code, is amended to include appraisal district directors on the list of district offices of state government. Sec. 172.024, Election Code, is amended to set filing fees of \$400 for a county of

200,000 or more and 200 for a population under 200,000. Directors are first elected at the primary and general elections in 2018; members take office January 1, 2019. Existing director terms end January 1, 2019.

Last Action: Filed 12/6/16

Effective Date: Secs. 10,11, 13, and 14 effective 9/1/2017; others effective 1/1/2018

Sections Affected: Tax Secs. 5.12, 5.13, 6.051, 6.06, 6.061, 6.063, and 6.15; Election 52.092 and 172.024

Appraisal Administration -- HB 513 by Davis of Harris

Mandatory reappraisal of property in disaster area

This bill amends Sec. 23.02, Tax Code, to require the chief appraiser to automatically reappraise the damaged property in a disaster area declared by the governor. Currently the chief appraiser only reappraises if requested to do so by affected taxing units. Requirements related to completion of the reappraisal as soon as practicable, payment of the cost by the taxing units, and proration of the taxes are not changed but are reworded to conform. The bill applies only to reappraisals for disaster areas declared on or after the effective date.

Last Action: Filed 12/06/2016

Effective Date: Immediate or 9/1/2017

Sections Affected: Tax 23.02

Appraisal Appeals -- HB 540 by Metcalf

Unlimited attorney fees for repeated homestead appeal

This bill amends Sec. 42.29, Tax Code, to provide that the usual cap on attorney fee liability for appraisal districts does not apply if the taxpayer is awarded attorney fees for an appeal under Sec. 42.25 or 42.26, the property is the owner's residence homestead, the owner prevailed in an appeal under either section in each of the last two years, and attorney fees were limited by the cap in those years. The bill applies to appeals filed on or after the effective date

Last Action: Filed 12/07/2016

Effective Date: 9/2/17

Sections Affected: Tax 42.29

Comptroller -- HB 559 by Hernandez

Comptroller verification and confidentiality of Chapter 313 report information

This bill amends Sec. 313.032, Tax Code to require the comptroller to verify a random sample of at least 33% of data submitted to it under Sec. 313.032 by recipients of value limitations. Information that contains personal identifying information of an individual, if contained in the reported information, is made confidential and not subject to disclosure.

Last Action: Filed 12/09/2016

Effective Date: 9/1/17

Sections Affected: Tax 313.032

ARB -- HB 566 by Keogh

Election of appraisal review board by voters

This bill amends numerous tax code sections to provide for the election of appraisal review board members. Sec. 6.41 is amended to provide that the ARB consists of five members elected by voters of the county at the general election for state and county officers. Members serve two-year terms beginning on January 1 of odd numbered years. The board of directors' authority to expand the board is deleted. Residency requirements remain the same. Vacancies are filled by commissioners' court. Grounds for removal are amended to include failure to complete a course required by Sec. 5.041. Sec. 6.4101 is added to the Tax Code providing ballot procedures. A candidate files a \$250 filing fee and an application with the county judge. Candidates names appear only as independent candidates. Filing fees are deposited to the county general fund. Sec. 6.414 is

amended to provide that the ARB may by resolution provide for a number of auxiliary members that the board considers appropriate for hearing protests. These are appointed by resolution to one year terms and may not serve more than two consecutive terms. Their compensation is the same per diem set by the CAD budget for board members. Sec. 6.42 is amended to provide that the ARB selects its own chairman and secretary from among its members.

Conforming amendments are made to Tax Secs. 5.103, 6.411, and 6.413. Portions of Secs. 6.052, 6.41, and 6.412, dealing with the current appointment process for ARB's, are repealed. Sec. 52.092, Election Code, is amended to require the secretary of state to prescribe procedures for listing ARB offices on the ballot. Members are first elected at the 2018 general election to take office January 1, 2019. The change does not affect selection of members or auxiliary members serving before January 1, 2019. Terms of members serving on December 31, 2018 expire on January 1, 2019.

Last Action: Filed 12/12/2016

Effective Date: Sections 6 and 9, dealing with ballots, and the transition section take effect 9/1/18; otherwise effective 1/1/19.

Sections Affected: Tax 5.103; 6.41, 6.4101, 6.411, 6.412

6.413,

6.414, 6.052, Election 52.092

Exemptions -- HB 570 by Button

Total homestead exemption for surviving spouse of first responder killed in line of duty

This bill adds Sec. 11.134, Tax Code, providing a total exemption for the residence homestead of the surviving spouse of a first responder killed or fatally injured in the line of duty. First responders are defined as those listed in Chapter 615.003, Gov't Code (Chapter 615 provides for financial assistance to first responders' survivors). Surviving spouse is the individual married to the responder at the time of the responder's death. The surviving spouse must not have remarried. The exemption applies regardless of the date of the respondent's death. The surviving spouse may transfer the dollar amount of the exemption to a subsequently acquired homestead. The chief appraiser provides a written certificate giving the information necessary to calculate the amount of the exemption on the first home. Sec. 11.42(c) is amended to provide that the exemption is effective as of January 1 of the year in which the person qualifies and applies for the entire year. Sec. 11.43 is amended to provide for one-time application. Sec. 11.431 is amended to provide that late application may be filed without penalty until one year following the delinquency date for taxes on the home. Sec. 26.10(b) is amended to provide for proration of taxes on a survivor's home if the survivor qualifies a different home during the same year. Sec. 26.112 is amended to conform; Sec. 403.302, Gov't Code, is amended to provide that a home exempt under Sec. 11.134 is not considered taxable property for the purposes of the comptroller's property value study.

Last Action: Filed 12/16/2016

Effective Date: Effective 1/1/18 contingent on passage of constitutional amendment

Sections Affected: Tax 11.134, 11.42, 11.43, 11.431, 26.10, and 26.112;

Gov't 403.302

Appraisal Caps -- HB 586 by Bohac

Reduces homestead cap to 5%

This bill amends Tax Code Sec. 23.23 to provide that the homestead limitation is reduced from 10% to 5%. The bill applies to tax years on or after the effective date.

Last Action: Filed 12/13/2016

Effective Date: 1/1/18, if Const Amendmt passes

Sections Affected: Tax 23.23

Collections -- HB 598 by Koop

Use of private collection agency by county tax assessor collector

This bill amends Sec. 130.006, Loc. Gov't Code, to allow a county assessor-collector's procedures for hot checks and dishonored credit card invoices to include referral to a private collection agency. The collection agency may charge the taxpayer a fee equal to the amount authorized by Sec. 118.011.

Last Action: Filed 12/14/2016

Effective Date: Immediate or 9/1/17

Sections Affected: Loc. Gov't 130.006

Exemptions -- HB 626 by Workman

Extends late homestead application deadline by one year

This bill amends Tax Code Sec. 11.431 to extend the late application deadline for residence homestead exemptions under Sec. 11.13, 11.131, 11.132, and 11.133 from one year after delinquency to two years after the delinquency date for the taxes in question. The chief appraiser must notify the collector for each unit not later than 30 days after the application is approved. The collector must pay the refund, if applicable, not later than the 60th day after the date the collector is notified. Sec. 11.439 is amended to extend the deadline for applying for the disabled veterans' exemption under Sec. 11.22 to five years after the delinquency date for the taxes in question. The chief appraiser must notify the collector for each unit not later than 30 days after the application is approved. Changes apply for exemptions filed for 2016 and later tax years

Last Action: Filed 12/16/2016

Effective Date: 9/1/17

Sections Affected: Tax 11.431; 11.439

Special Appraisal -- HB 643 by Phillips, Larry

Removes requirement of ag or timber before wildlife management

This bill amends Sec. 23.51(7), Tax Code, to remove the requirement that wildlife management land must first qualify as open-space or timber land. Sec. 23.52(g) is amended to provide that wildlife management land is appraised in the native pasture category.

Last Action: Filed 12/19/16

Effective Date: 1/1/18

Sections Affected: Tax 23.51, 23.52

Exemptions -- HB 734 by Workman

Phases out taxation of inventory by school districts

This bill adds Sec. 11.35, Tax Code, which exempts tangible personal property inventory from taxation by a school district. Transition subsection (b) provides that the exemption gradually increases by 10 percent per year from 10% of the inventory value in 2018 to 100% of the value in 2027. New Sec. 42.2512, Education Code, provides for additional state aid to the district to the extent that state aid based on the school district's taxable value under Chapter 403, Gov't Code does not fully compensate the district for revenue loss.

Last Action: Filed 12/27/16

Effective Date: 1/1/18 contingent on constitutional amendment

Sections Affected: Tax 11.35, Educ. 42.2512

Assessment -- HB 738 by Shaheen

Ballot language for bond elections

This bill adds new Subchapter B to Chapter 1251, Government Code. The subchapter applies to political subdivisions, defined as counties, municipalities, and school districts. The subchapter generally requires ballots for elections on issuance of public securities to contain specified statements regarding the cost of securities. A sample of the ballot must be posted on the subdivision's

website if it has one. The secretary of state is required to develop a non-mandatory form ballot. The bill applies to elections held on or after November 1, 2018

Last Action: Filed 12/27/2016

Effective Date: 9/1/17

Sections Affected: Chap. 1253, Gov't; Sec. 274.004, Elections

Assessment -- HB 739 by Shaheen

Ballot language for bond elections

This bill adds Secs, Government Code, which applies to political subdivisions, special purpose districts, and authorities. The chapter generally requires ballots for elections on issuance of general obligation bonds to contain specified statements regarding the cost of the bonds. The treasurer or another person determined by the governing body calculates the data for the statements. New Sec. 274.004, Elections Code, has similar requirements for state general obligation bond ballots. The bill applies to elections held on or after November 1, 2018

Last Action: Filed 12/27/2016

Effective Date: 9/1/17

Sections Affected: Chap. 1253, Gov't; Sec. 274.004, Elections

Collections -- HB 758 by Keogh

Refund of taxes on property leased to religious organization

This bill adds Sec. 31.112, Tax Code, which entitles a religious organization qualified under Sec. 11.20 to receive a refund of taxes paid by the owner of the property on property leased to the organization, if the organization uses it primarily as a place of regular religious worship. The collector pays the refund from available current collections or funds appropriated by the taxing unit for refunds. The organization must apply for the refund before the third anniversary of the date taxes on the property were paid. Failure to timely apply waives the right to the refund. The application is prescribed by the comptroller by rule, and must contain sufficient information for the collector to determine the entitlement and amount of the refund. If the collector denies a refund or does not respond to an application within 90 days of the date it is filed, the organization may sue in district court to compel payment. The organization must join each entity for which the collector collects taxes. If the organization prevails, it may be awarded court costs and reasonable attorney fees. The fees are capped at the greater of \$1,500 or 30% of the total refund. Sec. 31.12 is amended to conform.

Last Action: Filed 12/27/16

Effective Date: 1118 contingent on constitutional amendment

Sections Affected: Tax 31.112

Special Appraisal -- HB 777 by Ashby

Ag appraisal continued for member of armed forces deployed out of state.

This bill adds Tax Code Sec. 23.523, Tax Code, which provides that land owned by a member of the armed services doesn't lose eligibility for agricultural appraisal because of failure to meet degree of intensity standards, if the member is deployed or stationed outside the state, intends to resume using the land to the appropriate degree of intensity within 180 days of ceasing to be deployed outside the state, and notifies the appraisal district of those facts within 30 days after the date the owner is deployed or stationed. A transition provision provides the same protection for land on which the chief appraiser has not yet made a change of use decision if the owner is deployed on the effective date of the bill and notifies the appraisal district by the 90th day after the effective date.

Last Action: Filed 1/1/2017

Effective Date: Immediate or 9/1/2017

Sections Affected: Tax 23.523

Special Appraisal -- HB 801 by Murphy

Repeal rollback tax for 1-d-1 open-space agricultural land

This bill repeals Sec. 23.55, Tax Code, which sets out the process for imposing a rollback tax on land appraised under Chapter 23, Subchapter D, Tax Code. The bill makes conforming changes to Secs. 1.07, 23.20, 23.52, 23.551, 31.01, 41.41, and 41.44, Tax Code, Sec. 60.022, Agriculture Code, and Sec. 21.0421, Property Code. Secs. 23.58(c) and (d), Tax Code, are repealed. The repeal does not affect rollback taxes imposed before the effective date

Last Action: Filed 1/3/2017

Effective Date: 9/1/17

Sections Affected: Secs. 1.07, 23.20, 23.52, 23.55, 23.551, 23.58, 31.01, 41.41, and 41.44, Tax Code, Sec. 60.022, Agriculture Code, and Sec. 21.0421, Property Code.

ARB -- HB 804 by Dale

Notice and protest deadlines for lessee obligated to reimburse taxes

This bill amends Sec. 41.413, Tax Code, dealing with protests by lessees who are obligated by the lease or other contract to reimburse a property owner for taxes. Paragraph (d) is amended to require the property owner to send the lessee a copy of the appraisal notice within 10 days after receipt of the notice. New Paragraph (e) postpones the ordinary deadline for the lessee's protest by 30 days if the owner doesn't comply with paragraph (d). Applies only to notices received on or after the effective date.

Last Action: Filed 1/3/2017

Effective Date: 9/1/17

Sections Affected: Sec. 41.413, Tax Code

Exemptions -- HB 820 by Shaheen

County tax Homestead exemption for doctor who provides indigent care

This bill adds Sec. 11.13(s), Tax Code, which provides an additional homestead exemption from county property taxes for certain licensed physicians. If adopted by the county, a qualifying physician may receive an exemption of up to 50% of the appraised value of the physician's residence homestead by county taxes. Commissioners' court must specify in the order granting the exemption a number of qualifying county indigent residents for whom the physician must provide medical care without seeking payment from any source, including state or federal government sources. The court may express the number as a percentage of the physician's total practice. Commissioners' court must provide orders related to the exemption to the chief appraiser, and the chief appraiser may require an applicant to present additional information to establish eligibility. Commissioners court may repeal the exemption at will. Applicable to taxes imposed on and after the effective date.

Last Action: Filed 1/4/2017

Effective Date: 1/1/18, contingent on constitutional amendment

Sections Affected: Tax Sec. 11.13

Exemptions -- HB 845 by Lozano

Mineral interests owned by non-profit corporations

This bill adds Sec. 11.186, Tax Code, providing a local option exemption for mineral interests owned by specified non-profit corporations. To qualify, the corporate owner must be a non-profit corporation organized exclusively to generate income through holding, leasing, and managing real property on behalf of a charitable non-profit corporation. The beneficiary corporation must be organized exclusively for religious and charitable purposes and must engage exclusively in providing housing, counseling, training, spiritual aid, and related services to children and families in need. The organization may not charge fees for services or accept or receive money from a governmental entity. Neither organization may operated for distributable profits or private gain. The exemption must be adopted by the governing body. The exemption applies in the year

of adoption if adopted before April 15, or in the following year if adopted later. The exemption continues until repealed by the governing body. Sec. 11.43 is amended to provide for one-time application. Sec. 403.302, Gov't Code, is amended to conform.

Last Action: Filed 1/6/2017

Effective Date: 1/1/18, contingent on constitutional amendment

Sections Affected: Tax Sec. 11.186, 11.43,

Gov't

403.302

Exemptions -- HB 850 by Turner

Exemption for facilities housing disabled persons

This bill adds Sec. 11.35, Tax Code, providing for a partial exemption of property used as a group home for disabled persons operating under a "section 1915(c) waiver program or an intermediate care facility for individuals with developmental, physical or intellectual disabilities, provided 95% of the residents of the intermediate care facility receive medical assistance under Chapter 32, Human Resources Code. The exemption is equal to the costs the owner incurred in maintaining, operating, and making improvements to the property in the preceding 12 month period. The application must include an affidavit stating the owner's costs. The comptroller must adopt rules for the administration of the exemption.

Last Action: Filed 1/6/17

Effective Date: 1/1/18 contingent on constitutional amendment

Sections Affected: Tax 11.35

Exemptions -- HB 907 by Elkins

Exemption for university research technology corporation

This bill adds Chapter 157, Education Code, providing for the creation of university research technology corporations, defined as a special-purpose corporation for the exclusive purposes of developing and commercializing technology owned wholly or partly by an institution of higher education. The principal offices of the corporation must be in Texas. New Sec. 157.0008 provides that a corporation is entitled to an exemption of real and taxable personal property as provided by Sec. 11.232, Tax Code. New Sec. 11.232, Tax Code, provides that a qualified corporation is entitled to exemption of real and tangible personal property used exclusively for developing and commercializing covered technologies, along with incidental activities; incomplete improvements under active construction or other physical preparation; reasonably necessary land for the incomplete improvement, and possessory interests in property owned by a medical center development corporation. In turn, the medical center development's property is exempt if leased to a qualified corporation for the qualifying use. Property owned by an organizer or director of the corporation prior to its creation is not exempt if it was taxable prior to the creation of the corporation. However, expansions of improvements to such property are entitled to exemption if used exclusively for a qualifying purpose. Sec. 11.42 is amended to provide for one-time application, and the heading of Sec. 26.113 is amended to include "or research technology corporation."

Last Action: Filed 1/9/2017

Effective Date: 1/1/18 Contingent on constitutional amendment

Sections Affected: Tax 11.232, 11.42, 26.113 and Chap. 171; Educ. Chap. 157

Appraisal -- HB 934 by Zerwas

Appraisal in accordance with comptroller manuals

Sec. 2 of the bill amends Sec. 5.05, Tax Code, to provide that an appraisal district must appraise property in accordance with appraisal manuals prepared and issued by the comptroller under that section. Applies to tax years on or after January 1, 2018.

Last Action: Filed 1/11/2017

Effective Date: 1/1/18

Sections Affected: Tax 5.05

Appraisal -- HB 934 by Zerwas

Appraisal in accordance with comptroller manuals

Sec. 10 of the bill amends Sec. 23.01(b), Tax Code to state that market value must be determined by generally accepted appraisal methods and techniques, including methods and techniques prescribed by the comptroller's appraisal manuals. Applies to tax years on or after January 1, 2018.

Last Action: Filed 1/11/2017

Effective Date: 1/1/18

Sections Affected: Tax 23.01

Appraisal Administration -- HB 934 by Zerwas

CAD Directors must be elected county or local government officials

Sec. 5 of the bill amends Sec. 6.03, Tax Code to provide that members of the board of directors of an appraisal district, other than the county assessor-collector (who is already an elected official), must be elected county officers or elected officials of political subdivisions with territory located in the county. Transition section provides that the amendment does not affect the right of a director serving on January 1, 2018 to complete that term on the board.

Last Action: Filed 1/11/2017

Effective Date: 1/1/18

Sections Affected: Tax 6.03

Appraisal Administration -- HB 934 by Zerwas

Changes to deadlines for CAD notices and roll approval

Sec. 11 of the bill adds Sec. 25.19 (b-3), which requires the notice for a property eligible for a special panel hearing under Sec. 6.425 to inform the owner that the owner has a right to a special panel hearing. Subsec. (g) is amended to conform. Paragraph (b-3) applies to notices beginning January 1, 2019.

Last Action: Filed 1/11/2017

Effective Date: Sec. 25.19(b-3) effective 9/1/18; others 1/1/18

Sections Affected: Tax 25.19, 25.22, 26.01

ARB -- HB 934 by Zerwas

Special ARB panels for commercial and industrial property

Sec. 6 of the bill amends Sec. 6.41, Tax Code to require the BOD of a county of 120,000 or more to expand the size of the ARB as necessary to handle the duties of the special panel established by new Sec. 6.425. The local administrative district judge must select an adequate number of qualified individuals to permit the ARB chair to staff the special panel. The amendments apply only to members appointed after January 1, 2019.

Sec. 7 of the bill amends Sec. 6.414 to provide that an auxiliary member of the ARB may not hear special panel protests unless eligible to be appointed to it.

Sec. 8 of the bill amends Sec. 6.42 to provide that concurrence of a majority of members of the ARB or of a panel present at a meeting is sufficient for decisions or other action. Concurrence of more than a majority may not be required. Applies to decisions made on or after January 1, 2018.

Sec. 9 of the bill adds Sec. 6.425, Tax Code, providing that in CADs with populations of more than 120,000, the ARB must establish a separate special panel to conduct protest hearings for (1) commercial and personal real property; (2) real and

personal property of utilities; (3) industrial and manufacturing real and personal property; and (4) multifamily residential property. The chair may establish additional special panels for these categories if the chair determines that additional panels are necessary. Each special panel has three members appointed by the chair. To be eligible, an ARB member must have one of the following qualifications: juris doctor or equivalent degree; master of business administration degree; CPA license; accreditation or designation from the American Society of Appraisers as an accredited senior appraiser; from the Appraisal Institute as an MAI; or from the IAAO as a Certified Assessment Evaluator; or at least 20 years' experience in property tax appraisal or consulting. If the number of qualified persons appointed to the ARB by the judge is insufficient, the ARB chair may appoint an ARB member who holds a bachelor's degree and a real estate broker or sales license.

Last Action: Filed 1/11/2017

Effective Date: 9/1/18

Sections Affected: Tax 6.41, 6.414, 6.42, 6.425

ARB -- HB 934 by Zerwas

Changes to ARB challenge and protest procedures and deadlines

Sec. 12 of the bill amends Sec. 41.44 to provide that the comptroller's notice of protest form must permit a property owner to request hearing by a special panel under Sec. 6.425 if applicable to the property and to the appraisal review board.

Sec. 13 of the bill amends Sec. 41.45 to add conforming references for hearings by special panels under Sec. 6.425. The ARB must sit in special panels where required, and special panels may hear a protest only if the owner requests it and the property falls in an eligible classification. The ARB may rehear a special panel protest if it does not accept the panel's recommendation, but there is no authority to refer it for rehearing by a different panel. Other non-substantive changes are made to the section. Applies to protests filed on or after January 1, 2019.

Sec. 14 of the bill amends Sec. 41.66 to provide that the ARB must assign a protest eligible for special panel hearings to a special panel upon the request of the property owner. For special panel hearings, a property must be randomly assigned among the special panels that are established to hear that particular category of property. Provisions related to reassignment to a different special panel without consent, postponement of a hearing, and changes in panel composition due to illness, conflict, or inability to continue apply to special panels. Applies to protests filed on or after January 1, 2019.

Last Action: Filed 1/11/2017

Effective Date: Changes to Secs. 41.03, 41.11 41.12, and 41.71 effective 1/1/18; Secs. 41.44, 41.45, 41.66 effective 9/1/18

Sections Affected: Tax 41.03, 41.11, 41.12, 41.44, 41.45, 41.66, 41.71

Comptroller Administration -- HB 934 by Zerwas

New Property Tax Administration Advisory Board

Sec. 1 of the bill adds Secs. 5.01 and 5.02, Tax Code, requiring the comptroller to appoint the property tax administration advisory board. The board advises the comptroller with respect to property tax matters. It must make recommendations regarding proposed rules and forms, minimum standards for administration and operation of CAD and local tax offices, appointment of executive staff within the comptroller's divisions that handle state administration and oversight of CAD's and tax offices, property tax publications, guidelines and communications, property value and ratio studies, reviews of CADs and ARBs, computer needs for the comptroller's office divisions responsible for property taxation and oversight, for appraisal districts, and for local tax offices, and regarding other property tax operational matters. The board is composed of six members appointed with the advice of the governor, lieutenant governor and speaker. Members serve at the comptroller's pleasure. They must have knowledge or experience in property tax administration, appraisal, or law. Each member must be a state resident. Elected officials may not serve. The board is governed exclusively by Chapter 5. Comptroller staff must provide assistance to the board. Sec. 5.01 provides that a person is not eligible to serve on the board if the person or their spouse is employed by or contracts with the comptroller, a CAD, or a taxing unit; owns or controls more than 10% of a business that receives money from any of the above, or receives money from a business organization that receives money from one of the above in an amount that exceeds 5% of the person's gross income for the preceding year.

Last Action: Filed 1/11/2017
Effective Date: 1/1/18
Sections Affected: Tax 5.01, 5.02

Comptroller -- HB 934 by Zerwas

Review of CAD compliance with comptroller's directives

Sec. 3 of the bill amends Sec. 5.102, Tax Code, to require the comptroller to include a review of the CAD's compliance with standards, procedures, and methodology prescribed by in comptroller manuals in the MAP review conducted biennially by the comptroller. The property tax administration advisory board consults with the comptroller about MAP study procedures and standards.

Sec. 5 of the bill amends Sec. 5.13, Tax Code, to require the comptroller to include a review of CAD compliance with the comptroller's appraisal manuals in a general audit conducted under that section. Applies to tax years on or after January 1, 2018.

Last Action: Filed 1/11/2017
Effective Date: 1/1/18
Sections Affected: Tax 5.102, 5.13

Comptroller -- HB 934 by Zerwas

Conforming amendments

Sec. 15 of the bill amends Sec. 403.302, Government Code, to strike references to the comptroller's property value study advisory committee and substitute the property tax administration advisory board.

Last Action: Filed 1/11/2017
Effective Date: 1/1/18
Sections Affected: Gov't 403.302

Repealed Sections -- HB 934 by Zerwas

Repealed

Sec. 16 of the bill repeals: (1) Sections 403.302(m-1) and (n), Government Code.

Last Action: Filed 1/11/2017
Effective Date: 1/1/18
Sections Affected: Multiple (see text)

Special Appraisal -- HB 950 by Rodriguez

Eases open space qualifications for veterans

This bill amends Sec. 23.51(1), Tax Code, to provide that land that is owned or managed by a veteran of the armed services need only show that the land was devoted principally to agriculture or timber production in the preceding year to meet the previous use requirement for Sec. 23.51 (normally five of the seven preceding years). The exception applies only if the veteran was less than 35 and had not served as principal operator of a farm or ranch for more than 10 consecutive years at the time of first application. Applies to tax years on or after effective date.

Last Action: Filed 12/15/2016
Effective Date: 1/1/18
Sections Affected: Tax 23.51

Collections -- HB 969 by Metcalf

Changes to tax deferrals

This bill amends Sec. 33.06, Tax Code, to reduce the annual interest rate on deferred taxes from eight percent to two percent. Sec. 33.065 is amended to provide that an individual may defer or abate payment of taxes on a residence homestead if the individual's "ownership interest" is equal to or greater than 10 percent of the property's market value for the year. The section is also amended to provide that the chief appraiser must determine whether an affidavit supporting the deferral is valid. The deferral expires if the individual no longer has the minimum ownership interest. Affidavits must be filed annually. The interest rate on deferred taxes is reduced from 8% to 2% if the person's ownership interest is equal to or greater than 50% of market value. The person's annual affidavit must support the facts. The chief appraiser or court as applicable, prescribes the contents, time and manner for filing an affidavit. If the affidavit is determined to be valid, the chief appraiser must notify the taxing units. Sec. 11.13 is amended to define an individual's ownership interest as the difference between the property's market value and the total outstanding debt secured by liens attached to the property on January 1 of the year. New Sec. 33.066 provides for deferral of taxes on a "historic family property" – one that has been owned continuously by members of a family for 100 years or more. Owners are considered to be family members if related within the third degree at the time the property transfers from one to the other. To obtain the deferral, the person must own the property and have an ownership interest equal to or greater than 50%. The individual must file an affidavit to obtain the deferral. If the chief appraiser determines the affidavit is valid, the chief appraiser notifies each taxing unit. To obtain an abatement, the person must file the affidavit in the court. If no taxing unit files a controverting affidavit, or if the court determines after a hearing that the owner is entitled, the clerk of the court delivers the judgment to the chief appraiser. The owner must file annually, and the deferral/abatement expires on the first January 1 on which the individual no longer meets ownership requirements. The interest rate on deferred taxes is 8%. The chief appraiser must publicize the requirements of the section annually. The change in interest applies only to interest accruing after the effective date of the act. Secs. 6.035, Tax Code, and 403.302, Government Code, are amended to conform.

Last Action: Filed 1/12/2017

Effective Date: 1/1/18

Sections Affected: Tax 6.035, 11.13, 33.06, and 33.065
Government 403.302

Assessment -- HB 1017 by Perez

Rollback Rate for municipality

This bill amends Secs. 26.04 and 26.041, Tax Code, to provide that if the 85th or a later legislature amends either section to reduce the rollback rate of a municipality, the governing body of the municipality may direct the designated officer or employee to calculate the rollback rate under the section as it existed on January 1, 2016.

Last Action: Filed 1-12-17

Effective Date: Immediate or 9/1/17

Sections Affected: Tax 26.04, 26.041

Appraisal Caps -- HJR 17 by Keogh

Authorize HB 44 Cap

This resolution amends Art. VIII, Sec. 1(i) to allow the legislature to limit real property value increases to 105% or less and makes other conforming amendments.

Last Action: Filed 11/26/2016

Effective Date: 11/7/17

Sections Affected: CONST Art. VIII, Sec. 1(i)

Exemptions -- HJR 18 by Guillen

Authorize HB 102 exemption

This resolution adds Sec. 1(s) to Art. VIII, allowing the governing body of a political subdivision to exempt real and tangible personal property of a business during the first 10 years that the business operates in the state. The authority is limited to businesses that first begin operations on or after January 1, 2018, and to counties with populations of 250,000 or less. The legislature may provide additional eligibility requirements.

Last Action: Filed 11/27/2016

Effective Date: 11/7/17

Sections Affected: CONST Art. VIII, Sec. 1(s)

Exemptions -- HJR 21 by Bell

Authorize changes to donated property exemption for veterans

This resolution amends 1-b(l), Article VIII, authorizing a homestead exemption for property donated to a veteran, to include property donated for less than the market value of the property. Various non-substantive changes to number and letter designations are included.

Last Action: Filed 11/28/2016

Effective Date: 11/7/17

Sections Affected: CONST Art. VIII, Sec. 1-b(l)

Appraisal Caps -- HJR 26 by Bell

Authorize HB 167 Cap change

This resolution amends Art. VIII, Sec. 1(i) to allow the legislature to limit real property appraised value increases to 105% or less and makes other conforming amendments.

Last Action: Filed 11/29/2016

Effective Date: 11/7/17

Sections Affected: CONST Art. VIII, Sec. 1(i)

Appraisal Caps -- HJR 30 by Larson

Authorize HB 301 cap on increases of previously reduced properties

This resolution amends Art. VIII, Sec. 1, by adding Subsection (k). It authorizes the legislature to limit an increase in appraised value to 105% or a greater percentage if the owner of the property disputed the appraisal in the previous year and the appraisal was lowered.

Last Action: Filed 11/30/2016

Effective Date: 11/7/17

Sections Affected: CONST Art. VIII, Sec. 1(k)

Appraisal Caps -- HJR 33 by Metcalf

Authorize HB 376 cap reduction

This resolution amends Art. VIII, Sec. 1(i) to allow the legislature to limit residence homestead property value increases to 105% or more.

Last Action: Filed 11/16/2016

Effective Date: 11/7/17

Sections Affected: CONST Art. VIII, Sec. 1(i)

Exemptions -- HJR 34 by Murphy

Authorize HB 382 exemption for property leased to school

This resolution amends Art. VIII, Sec. 2 to allow the legislature to exempt property leased to a person for use as a school that operates under a charter granted by a state agency and that is qualified as provided by Sec. 11.21, Tax Code

Last Action: Filed 11/16/2016

Effective Date: 11/7/17

Sections Affected: CONST Art. VIII, Sec. 2

Exemptions -- HJR 35 by Button

Exempt retail inventory from property tax

This resolution amends Art VIII, Sec. 1(d) and adds Sec. 1-p, allowing the legislature to exempt inventory held for sale at retail. The exemption may be for one or more political subdivisions. General law defines inventory held for sale at retail.

Last Action: Filed 11/21/2016

Effective Date: 11/7/17

Sections Affected: CONST Art. VIII, Sec. 1(d), 1-p.

Appraisal Caps -- HJR 43 by Bohac

Authorize HB 506 reduction of cap to 5%

This resolution amends Art. VIII, Sec. 1(i) to allow the legislature to limit residence homestead property value increases to 105% or more.

Last Action: Filed 12/13/2016

Effective Date: 11/7/17

Sections Affected: CONST Art. VIII, Sec. 1(i)

Exemptions -- HJR 48 by Workman

Authorize HB 734 phase out of inventory tax for schools

This resolution adds Art. VIII, Sec. 1-q, authorizing the legislature to exempt tangible personal property inventory from taxation by a school district. The legislature may provide additional eligibility requirements and prescribe administration procedures. Transition subsection (d) provides that the exemption gradually increases by 10 percent per year from 10% of the inventory value in 2018 to 100% of the value in 2027.

Last Action: Filed 12/27/2016

Effective Date: 11/7/17

Sections Affected: CONST Art VIII,
Sec. 1-q

Collections -- HJR 49 by Keough

Authorize HB 758 refund of taxes on leased religious property

This resolution amends Art. III, Texas Constitution, to add Section 521. The section authorizes the legislature to provide for a refund of taxes from each taxing unit to a religious organization that leases property and uses it for its place of worship.

Last Action: Filed 12/27/2016

Effective Date: 11/7/17

Sections Affected: CONST Art III, Sec. 521

Exemptions -- HJR 50 by Shaheen

Authorize HB 820 County tax Homestead exemption for doctor who provides indigent care

This resolution amends Art. VIII, Sec. 1-b, Texas Constitution, to authorize a commissioners court to provide an exemption of up to 50% of the appraised value of a qualifying physician's homestead. The physician must provide health care services for which the physician does not seek payment from any source. The exemption is in addition to other exemptions. The commissioners court may continue to levy and collect taxes pledged for debt if the exemption would impair the obligation of the debt contract.

Last Action: Filed 1/4/2017

Effective Date:

Sections Affected: Art. VIII, Sec. 1-b

Exemptions -- HJR 51 by Lozano

Authorize HB 845 mineral exemption

This resolution amends Art. VIII, Texas Constitution by adding Sec. 1-r. The section authorizes a governing body to exempt a mineral interest owned by a nonprofit corporation organized exclusively to generate income through holding, leasing, and managing real property on behalf of a charitable non-profit corporation. The beneficiary corporation must be organized exclusively for religious and charitable purposes and must engage exclusively in providing housing, counseling, training, spiritual aid, and related services to children and families in need. The organization may not charge fees for services or accept or receive money from a governmental entity. The legislature may prescribe additional eligibility requirements

Last Action: Filed 1/6/17

Effective Date: 11/7/17

Sections Affected: CONST Art. VIII Sec. 1-r

Exemptions -- HJR 52 by Turner

Authorize HB 870 housing exemption

This resolution adds art. VIII, Sec. 1-p, Texas Constitution. The amendment authorizes the legislature to exempt a portion of the assessed value of property used to provide housing to individuals with disabilities in an amount equal to the costs the owner of the property incurs to maintain, operate, and make improvements to the property. The legislature may impose additional requirements.

Last Action: Filed 1/6/17

Effective Date: 11/7/17

Sections Affected: CONST art. VIII, Sec. 1-p

Exemptions -- HJR 54 by Elkins

Authorize HB 906 technology development exemption

This resolution adds art. VIII, Sec. 1-r, which defines a university research technology corporation and authorizes the legislature to exempt ownership interests of a corporation in real and tangible personal property, ownership interests of a medical center development corporation in property leased to, used by, or occupied primarily by a corporation, and the leasehold interest a corporation holds under such a lease. The legislature may impose eligibility requirements

Last Action: Filed 1/9/17

Effective Date: 11/7/17

Sections Affected: CONST art VIII, Sec. 1-r

Appraisal Appeals -- SB 2 by Bettencourt

Arbitration threshold raised to \$5 million

Sec. 34 of the bill amends Sec. 41A.01, Tax Code, to increase the maximum value of property eligible for arbitration from \$3 million to \$5 million. The amendments apply to arbitrations filed on or after January 1, 2018.

Sec. 35 of the bill amends Sec. 41A.03 to provide for a filing fee of \$1,250 for non homestead properties valued at more than \$3 million and less than \$5 million. The amendments apply to arbitrations filed on or after January 1, 2018.

Sec. 36 of the bill amends Sec. 41A.06 to provide a fee of not more than \$1,200 for a \$3-\$5 million property and substitutes "sales agent" for "salesperson". The amendments apply to arbitrations filed on or after January 1, 2018.

Last Action: Filed 11/29/2016

Effective Date: 1/1/18

Sections Affected: Tax Secs. 41A.01, 41A.03, 41A.06

Appraisal -- SB 2 by Bettencourt

Appraisal in accordance with comptroller manuals

Sec. 3 of the bill amends Sec. 5.05, Tax Code, to provide that an appraisal district must appraise property in accordance with appraisal manuals prepared and issued by the comptroller under that section. Applies to tax years on or after January 1, 2018.

Last Action: Filed 11/29/2016

Effective Date: 1/1/18

Sections Affected: Tax 5.05

Appraisal -- SB 2 by Bettencourt

Appraisal in accordance with comptroller manuals

Sec. 14 of the bill amends Sec. 23.01(b), Tax Code to state that market value must be determined by generally accepted appraisal methods and techniques, including methods and techniques prescribed by the comptroller's appraisal manuals. Applies to tax years on or after January 1, 2018.

Last Action: Filed 11/29/2016

Effective Date: 1/1/18

Sections Affected: Tax 23.01

Appraisal Administration -- SB 2 by Bettencourt

CAD Directors must be elected county or local government officials

Sec. 6 of the bill amends Sec. 6.03, Tax Code to provide that members of the board of directors of an appraisal district, other than the county assessor-collector (who is already an elected official), must be elected county officers or elected officials of political subdivisions with territory located in the county. Sec. 49 provides that the amendment does not affect the right of a director serving on January 1, 2018 to complete that term on the board.

Last Action: Filed 11/29/2016

Effective Date: 1/1/18

Sections Affected: Tax 6.03

Appraisal Administration -- SB 2 by Bettencourt

Rendition deadline moved up

Sec. 13 of the bill amends Sec. 22.23, Tax Code, to change the rendition filing deadline to March 15. A property owner on written request may extend the deadline to April 15.

Last Action: Filed 11/29/2016

Effective Date: 1/1/18

Sections Affected: Tax 22.23

Appraisal Administration -- SB 2 by Bettencourt

Changes to deadlines for CAD notices and roll approval

Sec. 15 of the bill amends Sec. 25.19 (a) Tax Code to provide that notices under that Section must be delivered by April 15 or as soon thereafter as practicable. New paragraph (b-3) requires the notice for a property eligible for a special panel hearing under Sec. 6.425 to inform the owner that the owner has a right to a special panel hearing. Subsec. (g) is amended to conform. Paragraph (b-3) applies to notices beginning January 1, 2019.

Sec. 16 of the bill amends Sec. 25.22(a) to require the chief appraiser to submit appraisal records to the ARB by May 1 or as soon thereafter as practicable.

Sec. 17 of the bill amends Sec. 26.01, Tax Code, to change the deadline for certification of the appraisal roll to by July 10. The deadline for certified estimates for the county, cities, and school districts is changed to not later than May 15.

Last Action: Filed 11/29/2016

Effective Date: Sec. 25.19(b-3) effective 9/1/18; others 1/1/18

Sections Affected: Tax 25.19, 25.22, 26.01

ARB -- SB 2 by Bettencourt

Special ARB panels for commercial and industrial property

Sec. 7 of the bill amends Sec. 6.41, Tax Code to require the BOD of a county of 120,000 or more to expand the size of the ARB as necessary to handle the duties of the special panel established by new Sec. 6.425. The local administrative district judge must select an adequate number of qualified individuals to permit the ARB chair to staff the special panel. The amendments apply only to members appointed after January 1, 2019.

Sec. 8 of the bill amends Sec. 6.414 to provide that an auxiliary member of the ARB may not hear special panel protests unless eligible to be appointed to it.

Sec. 9 of the bill amends Sec. 6.42 to provide that concurrence of a majority of members of the ARB or of a panel present at a meeting is sufficient for decisions or other action. Concurrence of more than a majority may not be required. Applies to decisions made on or after January 1, 2018.

Sec. 10 of the bill adds Sec. 6.425, Tax Code, providing that in CADs with populations of more than 120,000, the ARB must establish a separate special panel to conduct protest hearings for (1) commercial and personal real property; (2) real and personal property of utilities; (3) industrial and manufacturing real and personal property; and (4) multifamily residential property. The chair may establish additional special panels for these categories if the chair determines that additional panels are necessary. Each special panel has three members appointed by the chair. To be eligible, an ARB member must have one of the following qualifications: juris doctor or equivalent degree; master of business administration degree; CPA license; accreditation or designation from the American Society of Appraisers as an accredited senior appraiser; from the Appraisal Institute as an MAI; or from the IAAO as a Certified Assessment Evaluator; or at least 20 years' experience in property tax appraisal or consulting. If the number of qualified persons appointed to the ARB by the judge is insufficient, the ARB chair may appoint an ARB member who holds a bachelor's degree and a real estate broker or sales license.

Last Action: Filed 11/29/2016

Effective Date: 9/1/18

Sections Affected: Tax 6.41, 6.414, 6.42, 6.425

ARB -- SB 2 by Bettencourt

Changes to ARB challenge and protest procedures and deadlines

Sec. 27 of the bill amends Sec. 41.03, Tax Code, to delete a taxing unit's right to challenge the level of appraisals in a category or territory within the district. Applies for challenges filed on or after January 1, 2018..

Sec. 28 of the bill makes conforming changes to Sec. 41.11, Tax Code

Sec. 29 of the bill amends Sec. 41.12, Tax Code, to change the deadline for approval of appraisal records and associated actions from July 20 to July 5.

Sec. 30 of the bill amends Sec. 41.44 to change the general deadline for filing a protest to before May 15. However, the owner of a single-family residence that qualifies for homestead exemption may file before June 1 if the ARB has not approved the appraisal records by that date. The comptroller's notice of protest form must permit a property owner to request hearing by a special panel under Sec. 6.425 if applicable to the property and to the appraisal review board.

Sec. 31 of the bill amends Sec. 41.45 to add conforming references for hearings by special panels under Sec. 6.425. The ARB must sit in special panels where required, and special panels may hear a protest only if the owner requests it and the property falls in an eligible classification. The ARB may rehear a special panel protest if it does not accept the panel's recommendation, but there is no authority to refer it for rehearing by a different panel. Other non-substantive changes are made to the section. Applies to protests filed on or after January 1, 2019.

Sec. 32 of the bill amends Sec. 41.66 to provide that the ARB must assign a protest eligible for special panel hearings to a special panel upon the request of the property owner. For special panel hearings, a property must be randomly assigned among the special panels that are established to hear that particular category of property. Provisions related to reassignment to a different special panel without consent, postponement of a hearing, and changes in panel composition due to illness, conflict, or inability to continue apply to special panels. Applies to protests filed on or after January 1, 2019.

Sec. 33 of the bill amends Sec. 41.71, Tax Code, which requires the ARB to provide by rule for Saturday or evening hearings. The amendment substitutes "after 5 p.m. on a weekday" for "evening" and provides that the board may not schedule hearings to begin after 7 p.m. or on a Sunday. Applies to hearings scheduled on or after January 1, 2018.

Last Action: Filed 11/29/2016

Effective Date: Changes to Secs. 41.03, 41.11 41.12, and 41.71 effective 1/1/18; Secs. 41.44, 41.45, 41.66 effective 9/1/18

Sections Affected: Tax 41.03, 41.11, 41.12, 41.44, 41.45, 41.66, 41.71

Assessment -- SB 2 by Bettencourt

Changes to rollback rate and tax ratification election

Sec. 18 of the bill amends Sec. 26.04(a) to change the deadline for submission of the appraisal roll to a taxing unit's governing body to by July 15. Subsection (c) is amended to substitute 1.04 for 1.08 in the calculation of the rollback tax rate. New subsection (c-1) allows the official making the calculations to substitute 1.08 for 1.04 if any part of the unit is located in a disaster area declared by the governor or the president. Subsection € is amended to set the deadline for submitting calculated rates as by July 22. The designated officer must deliver the required effective rate notice by July 27.

Sec. 19 of the bill amends Sec. 26.041 to conform.

Sec. 20 of the bill amends Sec. 26.05 to provide that while the governing body may normally adopt a rate before the later of September 30 or the 60th day after receipt of the appraisal roll, it must adopt a tax rate that exceeds the rollback rate before August 15.

Sec. 21 of the bill amends Sec. 26.06 to shorten the maximum period between the first and second public hearing from 14 days to seven days.

Secs. 22 and 23 of the bill amend Sec. 26.08, currently providing for tax ratification elections for school districts, to apply to all taxing units. The heading changes from Election to Ratify School Taxes to Election to Ratify Tax Rate. The term "taxing unit" is substituted for "school district" throughout. The election must be held on the uniform election date prescribed by the election

code for November of the applicable year, and the order for the election must be issued no later than August 15. Sec. 24 of the bill amends Sec. 26.16(d) to conform. Sec. 46 of the bill repeals Sec. 26.08, Tax Code (currently providing for petition based rollback elections).

Last Action: Filed 11/29/2016

Effective Date: 1/1/18

Sections Affected: Tax 26.04, 26.041, 26.05, 26.06, 26.08, 26.16

Collections -- SB 2 by Bettencourt

Conforming amendments

Sec. 25 of the bill amends Sec. 31.12, Tax Code, to conform references to rollback elections. Sec. 26 amends Sec. 33.08 to conform references to rollback elections.

Last Action: Filed 11/29/2016

Effective Date: 1/1/18

Sections Affected: Tax 31.12, 33.08

Comptroller Administration -- SB 2 by Bettencourt

New Property Tax Administration Advisory Board

Sec. 2 of the bill adds Secs. 5.01 and 5.02, Tax Code, requiring the comptroller to appoint the property tax administration advisory board. The board advises the comptroller with respect to property tax matters. It must make recommendations regarding proposed rules and forms, minimum standards for administration and operation of CAD and local tax offices, appointment of executive staff within the comptroller's divisions that handle state administration and oversight of CAD's and tax offices, property tax publications, guidelines and communications, property value and ratio studies, reviews of CADs and ARBs, computer needs for the comptroller's office divisions responsible for property taxation and oversight, for appraisal districts, and for local tax offices, and regarding other property tax operational matters. The board is composed of six members appointed with the advice of the governor, lieutenant governor and speaker. Members serve at the comptroller's pleasure. They must have knowledge or experience in property tax administration, appraisal, or law. Each member must be a state resident. Elected officials may not serve. The board is governed exclusively by Chapter 5. Comptroller staff must provide assistance to the board. Sec. 5.01 provides that a person is not eligible to serve on the board if the person or their spouse is employed by or contracts with the comptroller, a CAD, or a taxing unit; owns or controls more than 10% of a business that receives money from any of the above, or receives money from a business organization that receives money from one of the above in an amount that exceeds 5% of the person's gross income for the preceding year.

Last Action: Filed 11/29/2016

Effective Date: 1/1/18

Sections Affected: Tax 5.01, 5.02

Comptroller -- SB 2 by Bettencourt

Review of CAD compliance with comptroller's directives

Sec. 4 of the bill amends Sec. 5.102, Tax Code, to require the comptroller to include a review of the CAD's compliance with standards, procedures, and methodology prescribed by in comptroller manuals in the MAP review conducted biennially by the comptroller. The property tax administration advisory board consults with the comptroller about MAP study procedures and standards.

Sec. 5 of the bill amends Sec. 5.13, Tax Code, to require the comptroller to include a review of CAD compliance with the comptroller's appraisal manuals in a general audit conducted under that section. Applies to tax years on or after January 1, 2018.

Last Action: Filed 11/29/2016

Effective Date: 1/1/18
Sections Affected: Tax 5.102, 5.13

Comptroller -- SB 2 by Bettencourt

Conforming amendments

Sec. 38 of the bill amends Sec. 403.302, Government Code, to strike references to the comptroller's property value study advisory committee and substitute the property tax administration advisory board.

Last Action: Filed 11/29/2016
Effective Date: 1/1/18
Sections Affected: Gov't 403.302

Education Code -- SB 2 by Bettencourt

Conforming amendments

Sec. 37 of the bill amends Sec. 130.016(b), Education Code, to conform references to Sec. 26.07, Tax Code.

Last Action: Filed 11/29/2016
Effective Date: 1/1/18
Sections Affected: Education 130.016

Exemptions -- SB 2 by Bettencourt

Increased exemption for small personal property accounts

Secs. 11 and 12 of the bill amends Sec. 11.145, Tax Code, to increase the maximum value of income producing property that may be exempted under that section from \$500 to \$2,500. Applies beginning with tax year 2018.

Last Action: Filed 11/29/2016
Effective Date: 1/1/18
Sections Affected: Tax 11.145

Health and Safety Code -- SB 2 by Bettencourt

Conforming amendments

Sec. 39 of the bill makes conforming amendments to Sec. 281.124, Health and Safety Code, dealing with rollback elections for hospital districts in certain counties. It substitutes reference to Sec. 26.08 for Sec. 26.07.

Last Action: Filed 11/29/2016
Effective Date: 1/1/18
Sections Affected: Health & Safety 281.124

Local Gov't Code -- SB 2 by Bettencourt

Conforming amendments

Sec. 39 of the bill amends Sec. 140.010 (d) and (e), Local Government Code, to amend an optional notice of Tax Rates that may be used by cities and counties in lieu of compliance with the requirements of Secs. 26.04, 26.052, and 26.06, Tax Code. The amendments substitute reference to Sec. 26.08 for 26.07, delete a reference to the lower of the effective tax rate, and conform the language of the notice to reflect the new ratification election.

Last Action: Filed 11/29/2016
Effective Date: 1/1/18
Sections Affected: Local Gov't 140.010

Repealed Sections -- SB 2 by Bettencourt

Repealed

Sec. 46 of the bill repeals: (1) Sections 403.302(m-1) and (n), Government Code; (2) Section 1063.255, Special District Local Laws

Code; (3) Section 26.07, Tax Code; (4) Section 49.236, Water Code, as added by Chapter 248 (H.B. 1541), Acts of the 78th Legislature, Regular Session, 2003; and (5) Section 49.2361, Water Code.

Last Action: Filed 11/29/2016

Effective Date: 1/1/18

Sections Affected: Multiple (see text)

Special District Local Laws Code -- SB 2 by Bettencourt

Conforming amendments

Secs. 41 and 42 of the bill make conforming amendments to Secs. 1101.254, 2522, 3828.157, and 8876.152, Special District Local Laws Code.

Last Action: Filed 11/29/2016

Effective Date: 1/1/18

Sections Affected: Spec. Dist. Local Laws Code 1101.254, 2522, 3828.157, and 8876.152

Water Code -- SB 2 by Bettencourt

Conforming amendments; water district ratification election and rollback rate changes

Secs. 43 and 44 make conforming amendments to Sec. 49.107 and 49.108, Water Code, respectively.

Sec. 45 amends Sec. 49.236, Water Code, as added by SB 392 in the 78th Legislature, to require a Water District's notice of public hearing on a tax rate, to include a description of the purpose of a proposed tax increase if the proposed combined debt service, operation and maintenance, and contract rate for the district exceeds the rollback rate. References to a petition election in the notice are amended to conform to ratification election. Subsection (d), which specifies calculation of a water district's tax rate, is amended to require a ratification election for the district's maintenance and operations tax rate if the combined debt service, operation and maintenance, and contract tax rates for the district exceed the rollback tax rate. The rollback tax rate is amended to substitute 1.04 for 1.08 in the calculation, and to allow the board to substitute eight percent for four percent and 1.08 for 1.04, as applicable, if any part of the district is in a disaster area declared by the governor or the president for the current tax year.

Last Action: Filed 11/29/2016

Effective Date: 1/1/18

Sections Affected: Water Code Secs. 49.107, 49.108

Exemptions -- SB 15 by Huffines

100% Homestead Exemption for first responder survivor

This bill adds Sec. 11.134, Tax Code, which provides for a 100% homestead exemption for the surviving spouse of a first responder killed in the line of duty. The spouse must have been married to the responder at death and remain unmarried. The exemption applies regardless of the date of the responder's death. The dollar value of the exemption will apply if the survivor transfers the exemption to a new homestead. The chief appraiser provides the transfer information by certificate. Sec. 11.42 is amended to provide that the exemption is effective as of January 1 if the person qualifies during the year. Sec. 11.43 is amended to provide for one time application, and Sec. 11.431 is amended to provide a late filing deadline of one year after the

delinquency date. Secs. 26.10 and 26.112 are amended to conform, and Sec. 403.302, Gov't Code, is amended to provide that such a homestead is not considered taxable property for the purposes of the property value study.

Last Action: Filed 11/22/2016

Effective Date: 1/1/18 , if Const Amendmt passes

Sections Affected: Tax 11.134, 11.42, 11.43, 11.431, 26.11, 26.112, and Gov't 403.302

Exemptions -- SB 97 by Hall

Late application for 100% DAV exemption

This bill amends Tax Code Sec. 11.431 to change the late application deadline for the 100% disabled veterans' homestead exemption (Sec. 11.131) to one year after the date the Department of Veterans' Affairs approves the veteran's disability application. The exemption applies to all years for which the veteran is determined to be eligible to receive 100% disability compensation as described by Sec. 11.131. The chief appraiser notifies the taxing units' collectors of the late application approval, and the collectors adjust delinquencies and refund taxes as required. The Sec. 31.11 deadline for refund application does not apply. The bill applies to applications filed on or after the effective date.

Last Action: Filed 12/1/2016

Effective Date: 9/1/2017

Sections Affected: Tax 11.431

Appraisal Caps -- SB 172 by Nichols

Local option county election to reduce homestead cap below 10%.

This bill amends Tax Code Sec. 23.23 to reduce the limitation on appraised value increases from 10% to 5%. New subsection (h) allows a county's commissioners court to call an election to increase the percentage limitation to a larger amount, but not more than 10%. The election must be held on the state and county officers' next general election date. The ballot must specify the percentage. If the election fails, another election cannot be held until the 10th following year. If the election passes, the new limit applies for the following year and continues in effect until amended or repealed at another election. The repeal election cannot be held until the 10th following year. The bill makes conforming amendments to Sec. 42.26(d).

Last Action: Filed 12/2/2016

Effective Date: 1/1/18 , if Const Amendmt passes

Sections Affected: Tax 23.23 and 42.26

Special Appraisal -- SB 175 by Nichols

Ag appraisal continued for member of armed forces deployed out of state.

This bill adds Tax Code Sec. 23.523, Tax Code, which provides that land owned by a member of the armed services doesn't lose eligibility for agricultural appraisal because of failure to meet degree of intensity standards, if the member is deployed or stationed outside the state, intends to resume using the land to the appropriate degree of intensity within 180 days of ceasing to be deployed outside the state, and notifies the appraisal district of those facts within 30 days after the date the owner is deployed or stationed. A transition provision provides the same protection for land on which the chief appraiser has not yet made a change of use decision if the owner is deployed on the effective date of the bill and notifies the appraisal district by the 90th day after the effective date.

Last Action: Filed 12/3/2016

Effective Date: Immediate or 9/1/2017

Sections Affected: Tax 23.523

Comptroller -- SB 200 by Campbell

Comptroller database of political subdivision information

This bill requires the comptroller to establish and maintain a data warehouse of information related to political subdivisions that have authority levy ad valorem or sales taxes or to issue bonds. Section 1 amends Sec. 44.012, Education Code, to require the Texas Education Agency to transmit electronic copies of school district budget and financial reports to the comptroller in the form directed by the comptroller. Section 2 adds Sec. 403.0243, Government Code, which requires the comptroller to establish the database and make it accessible on the internet. The warehouse database must include, for each covered subdivision, the name, sales tax rate, the table of the unit's property tax rates described by Sec. 26.16, Tax Code for the current year (adopted, M&O, debt, effective, effective M&O, and rollback); total of the unit's debt, including P&I and the year in which debt will be paid; the subdivision's web address or appropriate contact information, and the web addresses for the CADs that appraise territory in the subdivision. The warehouse may include additional information either directly or through a web link regarding boundaries, budget, check registry published by the governing body, and audit or annual reports published by the governing body. The comptroller may consult with political subdivision personnel to obtain the information needed to operate and update the warehouse. Governing bodies that publish check registries on the web must provide the internet address to the comptroller. The comptroller has the authority to request and political subdivisions must provide information as needed to establish and update the data warehouse. The same is true for state agencies or other political subdivisions that maintain information on behalf of a covered subdivision. The comptroller must update tax rate information at least annually. The database should be searchable and intuitive, and the comptroller may not charge a usage fee. The comptroller may establish procedures and rules. Section 3 adds Subchapter D to Chapter 203, Government Code. The subchapter applies to political subdivisions, including taxing units, that have the authority to issue general obligation bonds, and to those that have the authority to impose a sales tax. However, it does not apply to school districts. Covered subdivisions are required by new Sec. 203.063 to transmit all forms, maps, plats, and amendments that reflect annexation or consolidation of the political subdivision by specified dates. If the subdivisions boundaries change or the subdivision dissolves after transmitting the information, it must transmit updated forms, maps, plats, and amendments within six months after the change or dissolution. Subdivisions must also transmit their most recently adopted budget and annual financial report as prescribed by the comptroller, along with their web address. The comptroller must create the warehouse not later than December 31, 2019.

Last Action: Filed 11/14/2016

Effective Date:

Sections Affected: Education 44.012; Government 403.0243; Local Gov't Chap 203

Assessment -- SB 201 by Campbell

Changes to ballot for certain bond elections

This bill amends Chapter 1251, Government Code, by adding Subchapter B. New Sec. 1251.051 sets out definitions. Sec. 1251.052 requires ballot propositions that authorize political subdivisions to issue ad valorem tax-backed securities to distinctly state the purpose, principal amount, taxes sufficient to pay annual principal and interest for the debt, the aggregate amount of principal of the subdivisions debt obligations as of the start of the fiscal year, and the debt service tax rate as of the time the election is ordered. Sec. 1251.053 authorizes the secretary of state to adopt a form, but subdivisions are not required to use adopted forms. The bill applies only to elections ordered on or after the effective date.

Last Action: Filed 11/14/2016

Effective Date: 9/1/17

Sections Affected: Gov't Chap. 1251, Secs 1251.051, 1251.052, and 1251.053

Exemptions -- SB 240 by Creighton

Changes to donated homestead veteran exemption

This bill amends Sec. 11.132, Tax Code, to extend the exemption to a homestead that was donated to the veteran by a charity at some cost to the veteran. Cost could be cash, mortgage, or both, but cannot exceed 50% of the good faith estimate of the market value of the homestead made by the organization as of the date of the donation.

Last Action: Filed 11/14/2016

Effective Date: 1/1/2018, if Const Amendmt passes

Sections Affected: 11.132

General Government -- SB 241 by Burton

Use of public money for lobbying

This bill amends, transfers, and redesignates Sec. 89.002, Loc. Gov't Code as Sec. 556.0056, Gov't Code. The section, which currently applies to the state association of counties, is amended in paragraph (a) to apply broadly to political subdivisions that imposes taxes and to regional mobility, toll road, and transit authorities. Paragraph (b) provides that the governing body of a covered subdivision may not spend public money to influence the outcome of legislation pending before the legislature. No prohibition is stated for mobility, toll, or transit authorities. A subdivision's officer or employee may provide information to a member of the legislature or appear before a committee upon request by the member or committee; an elected officer may advocate for or against legislation and attempt to influence it while acting as an officer of the subdivision, and an employee of a subdivision may advocate and attempt to influence if those actions would not require the person to register as a lobbyist under Chapter 305. A governing body may spend public funds on membership fees and dues for a nonprofit state organization of similar subdivision only if the governing body votes to approve membership, the organization exists for the benefit of local government and all local officials, the organization is not affiliated with a labor organization, and neither the organization or its employees influences or attempts to influence the outcome or contributes to political campaigns or makes endorsements. However, an employee or organization representative may provide information or appear before committees if requested to do so by a member or committee. Taxpayers of the covered political subdivisions may seek injunctions to prevent prohibited activity. A taxpayer who prevails is entitled to reasonable attorney's fees and costs from the subdivision. The bill applies only to expenditures made on or after September 1, 2017.

Last Action: Filed 11/17/2016

Effective Date: 9/1/17

Sections Affected: Loc. Gov't 89.002; Gov't 556.0056

Assessment -- SB 245 by Burton

Voter information prior to some tax-backed bond elections

This bill amends Chapter 1251, Gov't Code, by adding Subchapter B. Subchapter B generally requires a political subdivision to hold a public hearing and to provide specified notices before holding a bond election. Notices must be delivered by publication in a newspaper, publication on the political subdivision's website, and direct mail to each owner of taxable property in the unit. The political subdivision must include various items with specified content in the mailed notice. Prior to the public hearing, the political subdivision must prepare a voter information document in specified format with specified content. The subdivision must post a sample ballot on its website. Various state agencies are given rulemaking authority to prescribe forms and content of communications. The bill applies to bond elections held on or after January 1, 2018

Last Action: Filed 11/17/2016

Effective Date: 9/1/17

Sections Affected: Gov't Chap 1251

Exemptions -- SB 277 by Campbell

Limits on abatements for wind facilities near military installations

This bill adds Sec. 312.0021 and amends Sec. 313.024, Tax Code, to provide that installation or construction of a wind powered energy device within nautical 30 miles of a military aviation facility makes the land on which it is installed ineligible for abatement (312.0021) or school district tax limitation (313.024). The amendments apply to agreements entered into on or after September 1, 2017, and only to installation or construction of a wind powered device on or after that date. A military aviation facility is defined as a base, station, fort, camp, auxiliary airfield, or range at which a branch of the US military (Army, Navy, Marine Corps, Coast Guard) or a branch reserve conducts aviation operations or training. The bill applies to tax years 2018 forward.

Last Action: Filed 12/8/2016

Effective Date: 1/1/2018

Sections Affected: Tax 312.0021 and 313.024

School Finance -- SB 290 by Watson

Adopts state policy that increases in local property value should not decrease state contributions to public education

This bill amends Sec. 42.001, Education Code, providing that it is state policy that increases in local property value should not decrease state contributions to public education and requiring the legislature to provide basic allotments and guaranteed levels of funds that result in a level of state expenditure equal to the expenditure in the preceding biennium. New Sec. 46.101 is added to make a similar statement regarding state assistance in financing and paying debt on instructional facilities.

Last Action: Filed 12/12/2016

Effective Date: Immediate or 9/1/17

Sections Affected: Education 42.001 and 46.101

Special Appraisal -- SB 330 by Rodriguez

Eases open space qualifications for veterans

This bill amends Sec. 23.51(1), Tax Code, to provide that land that is owned or managed by a veteran of the armed services need only show that the land was devoted principally to agriculture or timber production in the preceding year to meet the previous use requirement for Sec. 23.51 (normally five of the seven preceding years). The exception applies only if the veteran was less than 35 and had not served as principal operator of a farm or ranch for more than 10 consecutive years at the time of first application. Applies to tax years on or after effective date.

Last Action: Filed 12/15/2016

Effective Date: 1/1/18

Sections Affected: Tax 23.51

Appraisal Administration -- SB 348 by Watson

Repeals requirement for taxing unit approval of CAD real property purchase or sale

This bill amends Sec. 6.051 to repeal the requirement that taxing units approve real property purchases or sales by appraisal districts.

Last Action: Filed 12/16/2016

Effective Date: Immediate or 9/1/17

Sections Affected: Tax 6.051

Appraisal Caps -- SB 376 by Creighton

Lowers homestead cap to 3% or 5%, depending on value

This bill amends Sec. 23.23 to lower the homestead cap percentage to 3% for property with an appraised value of \$1 million or less and 5% for property of more than \$1 million. Applies for tax years on or after effective date.

Last Action: Filed 12/20/2016

Effective Date: 1/1/18, contingent on constitutional amendment

Sections Affected: Tax 23.23

Comptroller -- SB 400 by Kolkhorst

Requires comptroller to verify Chapter 313 report

This bill amends Sec. 313.032 to require the comptroller to verify reported data using information from TWC, chief appraisers, and other reliable sources.

Last Action: Filed 12/21/2016
Effective Date: 9/1/17
Sections Affected: Tax 313.032

Appraisal Caps -- SB 403 by Kolkhorst

Two year limit on increasing value of property reduced on appeal

This bill adds Sec. 23.04, Tax Code, which limits increases in the value of residential or commercial property for the first two years following a year in which the value of the property is reduced by at least 15% in the ARB or through final determination of an appeal. The section does not limit increases due to improvements other than ordinary maintenance or repairs. The market value of the property is considered to be market value for the purposes of the comptroller's studies, and a limited property may not be used as a comparable property or in a ratio study sample for the purposes of determining whether another property is unequally appraised. Applies to tax years on or after effective date.

Last Action: Filed 12/29/2016
Effective Date: 1/1/18
Sections Affected: Tax 23.04

Exemptions -- SB 418 by Watson

Lump sum optional homestead exemption

This bill amends Sec. 11.13, Tax Code, to provide that a taxing unit other than a school district may adopt an additional lump sum homestead exemption. The amount of the exemption is \$5,000, unless the average market value of residence homesteads, according to the appraisal records, for the year of adoption exceeds \$25,000. In that case, the governing body may authorize a lump sum exemption of up to 20% of the average market value of homesteads for that year. A city or county that adopts the lump sum exemption may repeal an optional percentage exemption adopted under Sec. 11.13(n) if the lump sum exemption exceeds \$5,000. However, a property owner who received a greater exemption under (n) continues to receive the benefit of that exemption. Secs. 23.23(a) and 26.012 are amended to conform.

Last Action: Filed 1/6/17
Effective Date: 1/1/18, contingent on constitutional amendment
Sections Affected: Tax 11.13, 23.23, 26.012

Appraisal Administration -- SB 447 by Burton

Election of chief appraiser

This bill amends multiple sections of the Tax Code to provide for general election of the chief appraiser and appointment of the appraisal review board by the elected chief appraiser. Sec. 6.05, Tax Code, is amended to provide that the chief appraiser is elected by county voters in the general election for state and county officers. The chief appraiser serves a two year term that begins on January 1 of odd numbered years. To be eligible the candidate must reside in the county and have been a resident for the two years preceding the date the candidate takes office. Current eligibility requirements related to licensing or possession of appraisal designations are repealed. Sec. 6.41, Tax Code, is amended to provide that members of the appraisal review board are appointed and subject to removal by the chief appraiser. Failure to attend a comptroller's course is added as a ground for removal of an ARB member. Sec. 6.42 is amended to provide that the chief appraiser appoints the chair and secretary of the ARB as well. Sec. 5.042 is amended to provide that, for purposes of Chapter 87, Local Government Code, incompetency for a chief appraiser includes failure of the chief appraiser to complete the course of training required by Sec. 5.042. Secs. 1.15, 5.041, 5.103, 6.035, 6.411, 6.412, 6.42, 22.28, 41.66, and 44.21, Tax Code, are amended to conform. Secs. 52.092, Elections Code, 87.041, Local Government Code, and 1151.164, Occupations Code, are amended to conform. Secs. 6.0501, 6.052(f), and 6.41(d-1)-(d-9) and (i), Tax Code, are repealed. The elected chief appraiser's first term begins January 1, 2019. The act does not affect the appointment or service of chief appraisers until the elected chief appraiser qualifies. Vacancies on or after the effective date of the act are filled by commissioners court. Similar transition provisions apply to the ARB.

Last Action: Filed 1/9/17

Effective Date: 9/1/17

Sections Affected: Tax Secs. 1.15, 5.041, 5.103, 6.05

6.0501, 6.0502

6.035, 6.41, 6.42, 6.411, 6.412, 6.42, 22.28, 41.66, and 44.21; Elections 52.092; Loc. Gov't 87.041; Occupations 115.1164

Collections -- SB 448 by Burton

Procedure for cancelling a deferral

This bill amends Sec. 33.06 to require the chief appraiser to notify a person who is 65 or older before making a determination that the person is no longer entitled to an abatement or deferral. Notice must be provided by certified mail, and must include a form for the individual to indicate that the property owner remains the individual's principal residence, along with a self-addressed stamped envelope with instructions for returning the form. The chief appraiser must consider the response. If no response is received by the 60th day following mailing, the chief appraiser must wait an additional 30 days and then may determine the property is no longer the individual's principal residence. However, the chief appraiser must make a reasonable effort to locate the individual and determine the status of the property as the residence. The chief appraiser may satisfy this requirement by sending an additional notice by first class mail that includes in an oversize bold font the date that the chief appraiser is authorized to determine the eligibility to continue the deferral or abatement. The envelope must be mailed by first class mail, and the envelope must state return service requested or another appropriate statement. The chief appraiser may include the notice with a notice related to cancellation of an over-65 homestead. Sec. 1.07 is amended to require the first notice to be sent by certified mail. Applies to determinations made on or after the effective date.

Last Action: Filed 1/9/17

Effective Date: 9/1/17

Sections Affected: Tax 1.07, 33.06

Assessment -- SB 460 by Lucio

Restrictions on issuance and use of general obligation bonds

This bill amends Sec. 85.062, Elections Code, to provide that an entity that establishes early voting polling places may not do so with the intent to affect the outcome of an election on general obligation bonds in favor of approval. Chapter 1253 is added to the Government Code to provide that a political subdivision may not issue a general obligation bond if the projected useful life of the property financed ends before the maturity date of the bond. In addition, new Sec. 1253.003 provides that a political subdivision may use unspent general obligation bond proceeds only for the specific purpose for the bonds, or to retire the bonds. Proceeds may be used for a different purpose if the original purpose has been accomplished and voters approve use for the different purpose at an election. Chapter 1332, Gov't Code, is repealed.

Last Action: Filed 1/11/2017

Effective Date: 9/1/17

Sections Affected: Election 85.062, Gov't Chap 1253, Chap 1332

Assessment -- SB 461 by Lucio

Notice before issuance of certain bonds

This bill adds Subchapter B to Chapter 1251, Government Code. The subchapter applies to bonds issued by a political subdivision. The subchapter requires a proposition for voter approval of bonds to contain specified statements regarding the purpose and financial impact of the bonds. If the subdivision maintains a website, it must provide the information on its website. Sec. 271.049, Local Gov't Code, is amended to require specified statements in a notice related to issuance of certificates. In addition, additional notice regarding issuance of certificates is required if the issuer maintains a website. The information must be provided continually for at least 45 days before the date set for authorizing the issuance. Sec. 1251.002, Gov't Code, is repealed. Applies only to ballots and certificates on or after the effective date.

Last Action: Filed 1/11/2017

Effective Date: 9/1/2017
Sections Affected: Gov't Chap. 1251,
Local Gov't 271.049

Exemptions -- SJR 1 by Campbell et al

Authorize homestead exemption for survivor of a first responder

This resolution amends Sec. 1(b), Article VIII, authorizing the legislature to provide for an exemption of all or part of the value of the residence homestead of a surviving spouse of a first responder killed in the line of duty. The surviving spouse must remain unmarried. The legislature may define first responder and prescribe additional eligibility requirements. The legislature is also authorized to provide for the transfer of the dollar amount of an exemption to a subsequently qualified homestead. The exemption is not self-enacting. Applies only to tax years on or after January 1, 2018

Last Action: Filed 12/15/2016
Effective Date: 11/7/17
Sections Affected: CONST Art. VIII, Sec. 1-b(I)

Appraisal Caps -- SJR 19 by Nichols

Authorize 5% homestead cap; local option to increase

This resolution amends Art. VIII, Sec. 1(i) to allow the legislature to limit homestead property value increases to 105% or less and to allow commissioners court of a county by called election to permit county voters to approve a specified greater percentage, applicable to all taxing units in the county up to 110%. Conforming amendments are included.

Last Action: Filed 11/14/2016
Effective Date: 11/7/17
Sections Affected: CONST Art. VIII, Sec. 1(i)

Exemptions -- SJR 23 by Creighton

Authorize changes to donated property exemption for veterans

This resolution amends 1-b(I), Article VIII, authorizing a homestead exemption for property donated to a veteran, to include property donated for less than the market value of the property. Various non-substantive changes to number and letter designations are included.

Last Action: Filed 12/17/2016
Effective Date: 11/7/17
Sections Affected: CONST Art. VIII, Sec. 1-b(I)

Exemptions -- SJR 28 by Creighton

Authorize SB 376 3% - 5% homestead cap

This resolution amends Art. VIII, Sec. 1(i) to reduce the minimum limit on increases in value of residence homesteads to 103% and to provide that the legislature may provide different percentages based on the lesser or greater values of the home.

Last Action: Filed 12/20/2016
Effective Date: 11/7/17
Sections Affected: CONST Art. VIII, Sec. 1(i)

Exemptions -- SJR 29 by Watson

Authorize SB 418 lump sum optional homestead exemption

This resolution amends Art. VIII, Sec. 1-b, to authorize the governing body of a political subdivision other than a school district to adopt optional homestead exemptions in specified amounts, subject to stated restrictions, depending on the average market value of homesteads in the political subdivision.

Last Action: Filed 1/6/2017

Effective Date:

Sections Affected: Art. VIII, Sec. 1(b)