

BILL ANALYSIS

C.S.H.B. 40
By: Chisum
Local Government Ways and Means
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Last session the legislature passed and sent to the voters a constitutional amendment that placed a school property tax on all travel trailers. The intent of the legislation was confusing. The appraisal districts were divided on what to do about the issue and some appraised and levied the tax while others did not. CSHB 40 will restore the law to the way it was before last session's changes.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

SECTION 1.

The Tax Code is amended to stipulate that a person is entitled to an exemption from taxation of all tangible personal property, other than manufactured homes, that the person owns and that is not held or used for production income. The reference to the subsection not exempting a travel trailer is deleted.

SECTION 2.

Repeals Section 11.142, Tax Code.

EFFECTIVE DATE

This Act takes effect January 1, 2004, and applies only to taxes imposed for a tax year that begins on or after that date, but only if the constitutional amendment proposed by the 78th Legislature, Regular Session, 2003, authorizing the legislature to exempt from ad valorem taxation certain travel trailers not held or used for the production of income is approved by the voters. If that amendment is not approved by the voters, this Act has no effect.

COMPARISON OF ORIGINAL TO SUBSTITUTE

House Bill 40 stipulated that travel trailers would be exempt from taxation. CSHB 40 stipulates that a person is entitled to an exemption from taxation of all tangible personal property, other than manufactured homes.