

By: Talton

H.B. No. 2726

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to authorizing an owner of inventory to waive the right to  
3 have the inventory appraised for ad valorem tax purposes at the  
4 price for which it would sell as a unit.

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

6 SECTION 1. Sections 23.20(a)-(e), Tax Code, are amended to  
7 read as follows:

8 (a) An owner of inventory or real property may in writing  
9 waive the right to special appraisal provided by Section 23.12 or  
10 Subchapter C, D, E, F, or G [~~of this chapter~~] as to one or more  
11 taxing units designated in the waiver. In a tax year in which a  
12 waiver is in effect, the property is appraised for each taxing unit  
13 to which the waiver applies at the value determined under  
14 Subchapter A of this chapter or the value determined under Section  
15 23.12 or Subchapter C, D, E, F, or G [~~of this chapter~~], whichever is  
16 the greater value.

17 (b) A waiver of the right to special appraisal provided by  
18 Section 23.12 may be submitted at any time. A waiver of the right to  
19 special appraisal provided by Subchapter C, D, E, F, or G may be  
20 submitted with an application for appraisal under that subchapter  
21 [~~Subchapter C, D, E, F, or G of this chapter~~] or at any other time.  
22 A property owner who has waived special appraisal under this  
23 section as to one or more taxing units may make additional waivers  
24 under this section as to other taxing units in which the property is

1 located.

2 (c) A waiver under this section is effective for 25  
3 consecutive tax years beginning on the first tax year in which the  
4 waiver is effective without regard to whether the property is  
5 subject to appraisal under Section 23.12 or Subchapter C, D, E, F,  
6 or G [~~of this chapter~~]. To be effective in the year in which the  
7 waiver is executed, it must be filed before May 1 of that year with  
8 the chief appraiser of the appraisal district in which the property  
9 is located, unless for good cause shown the chief appraiser extends  
10 the filing deadline for not more than 60 days. An application filed  
11 after the year's deadline takes effect in the next tax year.

12 (d) A waiver filed under this section is applicable to the  
13 property for the term of the waiver, runs with any [~~the~~] land to  
14 which the waiver applies, and is binding on the owner who executed  
15 the waiver and any successor in interest. A waiver may not be  
16 revoked as to any taxing unit except on approval by official action  
17 of the governing body of the taxing unit on a finding by the  
18 governing body that the revocation of the waiver would not  
19 materially impair the contractual, bond, or other debt obligation  
20 of the taxing unit wholly or partly payable from property taxes to  
21 which the property is subject. An application for revocation must  
22 be filed with the governing body of each taxing unit to which the  
23 revocation is to apply. A waiver may not be revoked if revocation  
24 is prohibited under a rule adopted under Subsection (e) [~~of this~~  
25 ~~section~~]. The revocation is effective in the year in which the  
26 governing body approves the revocation if the chief appraiser  
27 receives a written notice of the approval before the appraisal

1 review board approves the appraisal records. If the notice is not  
2 received before the deadline the revocation takes effect in the  
3 next tax year.

4 (e) The Texas [~~Natural Resource Conservation~~] Commission on  
5 Environmental Quality, a commissioners court, and the Texas  
6 Transportation Commission each, by rule, may ensure that a waiver  
7 under this section that applies to real property is properly and  
8 timely executed, and is irrevocable by the owner of the property to  
9 which the waiver applies or by any other related person receiving or  
10 proposing to receive, directly or indirectly, the proceeds of any  
11 bonds issued by or to be issued by the taxing unit. The rules of the  
12 Texas [~~Natural Resource Conservation~~] Commission on Environmental  
13 Quality apply to waivers applicable to taxing units that are  
14 conservation and reclamation districts subject to the jurisdiction  
15 of the commission. The rules of the commissioners court apply to  
16 waivers applicable to taxing units that are road districts created  
17 by the commissioners court. The rules of the Texas Transportation  
18 Commission apply to waivers applicable to taxing units that are  
19 road utility districts subject to the jurisdiction of the  
20 commission.

21 SECTION 2. This Act takes effect January 1, 2004, and  
22 applies only to the appraisal of property for ad valorem tax  
23 purposes for a tax year beginning on or after that date.