

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.