

1-1 By: Talton (Senate Sponsor - Staples) H.B. No. 2726
1-2 (In the Senate - Received from the House May 12, 2003;
1-3 May 13, 2003, read first time and referred to Committee on Finance;
1-4 May 23, 2003, reported favorably by the following vote: Yeas 13,
1-5 Nays 0; May 23, 2003, sent to printer.)

1-6 A BILL TO BE ENTITLED
1-7 AN ACT

1-8 relating to authorizing an owner of inventory to waive the right to
1-9 have the inventory appraised for ad valorem tax purposes at the
1-10 price for which it would sell as a unit.

1-11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-12 SECTION 1. Sections 23.20(a)-(e), Tax Code, are amended to
1-13 read as follows:

1-14 (a) An owner of inventory or real property may in writing
1-15 waive the right to special appraisal provided by Section 23.12 or
1-16 Subchapter C, D, E, F, or G [~~of this chapter~~] as to one or more
1-17 taxing units designated in the waiver. In a tax year in which a
1-18 waiver is in effect, the property is appraised for each taxing unit
1-19 to which the waiver applies at the value determined under
1-20 Subchapter A of this chapter or the value determined under Section
1-21 23.12 or Subchapter C, D, E, F, or G [~~of this chapter~~], whichever is
1-22 the greater value.

1-23 (b) A waiver of the right to special appraisal provided by
1-24 Section 23.12 may be submitted at any time. A waiver of the right to
1-25 special appraisal provided by Subchapter C, D, E, F, or G may be
1-26 submitted with an application for appraisal under that subchapter
1-27 [~~Subchapter C, D, E, F, or G of this chapter~~] or at any other time.
1-28 A property owner who has waived special appraisal under this
1-29 section as to one or more taxing units may make additional waivers
1-30 under this section as to other taxing units in which the property is
1-31 located.

1-32 (c) A waiver under this section is effective for 25
1-33 consecutive tax years beginning on the first tax year in which the
1-34 waiver is effective without regard to whether the property is
1-35 subject to appraisal under Section 23.12 or Subchapter C, D, E, F,
1-36 or G [~~of this chapter~~]. To be effective in the year in which the
1-37 waiver is executed, it must be filed before May 1 of that year with
1-38 the chief appraiser of the appraisal district in which the property
1-39 is located, unless for good cause shown the chief appraiser extends
1-40 the filing deadline for not more than 60 days. An application filed
1-41 after the year's deadline takes effect in the next tax year.

1-42 (d) A waiver filed under this section is applicable to the
1-43 property for the term of the waiver, runs with any [~~the~~] land to
1-44 which the waiver applies, and is binding on the owner who executed
1-45 the waiver and any successor in interest. A waiver may not be
1-46 revoked as to any taxing unit except on approval by official action
1-47 of the governing body of the taxing unit on a finding by the
1-48 governing body that the revocation of the waiver would not
1-49 materially impair the contractual, bond, or other debt obligation
1-50 of the taxing unit wholly or partly payable from property taxes to
1-51 which the property is subject. An application for revocation must
1-52 be filed with the governing body of each taxing unit to which the
1-53 revocation is to apply. A waiver may not be revoked if revocation
1-54 is prohibited under a rule adopted under Subsection (e) [~~of this~~
1-55 ~~section~~]. The revocation is effective in the year in which the
1-56 governing body approves the revocation if the chief appraiser
1-57 receives a written notice of the approval before the appraisal
1-58 review board approves the appraisal records. If the notice is not
1-59 received before the deadline the revocation takes effect in the
1-60 next tax year.

1-61 (e) The Texas [~~Natural Resource Conservation~~] Commission on
1-62 Environmental Quality, a commissioners court, and the Texas
1-63 Transportation Commission each, by rule, may ensure that a waiver
1-64 under this section that applies to real property is properly and

2-1 timely executed, and is irrevocable by the owner of the property to
2-2 which the waiver applies or by any other related person receiving or
2-3 proposing to receive, directly or indirectly, the proceeds of any
2-4 bonds issued by or to be issued by the taxing unit. The rules of the
2-5 Texas [~~Natural Resource Conservation~~] Commission on Environmental
2-6 Quality apply to waivers applicable to taxing units that are
2-7 conservation and reclamation districts subject to the jurisdiction
2-8 of the commission. The rules of the commissioners court apply to
2-9 waivers applicable to taxing units that are road districts created
2-10 by the commissioners court. The rules of the Texas Transportation
2-11 Commission apply to waivers applicable to taxing units that are
2-12 road utility districts subject to the jurisdiction of the
2-13 commission.

2-14 SECTION 2. This Act takes effect January 1, 2004, and
2-15 applies only to the appraisal of property for ad valorem tax
2-16 purposes for a tax year beginning on or after that date.

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