

By: Averitt

S.B. No. 225

A BILL TO BE ENTITLED

AN ACT

relating to the ad valorem taxation of tangible personal property held or used for the production of income.

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

SECTION 1. Subchapter B, Chapter 11, Tax Code, is amended by adding Section 11.147 to read as follows:

Sec. 11.147. INCOME-PRODUCING TANGIBLE PERSONAL PROPERTY RENDERED FOR TAXATION. A person is entitled to an exemption from taxation by each taxing unit of \$10,000 of the total appraised value of all the tangible personal property the person owns:

- (1) that is held or used for the production of income;
- (2) that is taxable by the taxing unit; and
- (3) with respect to which the person timely delivers a rendition statement or property report as required by Chapter 22.

SECTION 2. Section 11.43(a), Tax Code, is amended to read as follows:

(a) To receive an exemption, a person claiming the exemption, other than an exemption authorized by Section 11.11, 11.12, 11.14, 11.145, 11.146, 11.147, 11.15, 11.16, 11.161, or 11.25 [~~of this code~~], must apply for the exemption. To apply for an exemption, a person must file an exemption application form with the chief appraiser for each appraisal district in which the property subject to the claimed exemption has situs.

SECTION 3. Subchapter B, Chapter 22, Tax Code, is amended

1 by adding Section 22.231 to read as follows:

2 Sec. 22.231. REQUIREMENT TO DELIVER RENDITION STATEMENT OR  
3 PROPERTY REPORT; INJUNCTION. (a) A requirement under this chapter  
4 to deliver a rendition statement or property report to a chief  
5 appraiser is mandatory.

6 (b) If a person required by this chapter to deliver a  
7 rendition statement or property report to the chief appraiser fails  
8 to deliver the statement or report in the time required by this  
9 chapter, the chief appraiser may bring suit for an injunction  
10 requiring the person to deliver the statement or report.

11 SECTION 4. Section 41.43, Tax Code, is amended by amending  
12 Subsection (a) and adding Subsection (d) to read as follows:

13 (a) Except as provided by Subsection (d), in [~~In~~] a protest  
14 authorized by Section 41.41(a)(1) [~~41.41(1)~~] or (2), the appraisal  
15 district has the burden of establishing the value of the property by  
16 a preponderance of the evidence presented at the hearing. If the  
17 appraisal district fails to meet that standard, the protest shall  
18 be determined in favor of the property owner.

19 (d) If before the date of the hearing the property owner  
20 fails to deliver a rendition statement or property report for the  
21 property that is the subject of the protest as required by Chapter  
22 22:

23 (1) the property owner has the burden of establishing  
24 the value of the property by a preponderance of the evidence  
25 presented at the hearing; and

26 (2) if the property owner fails to meet the standard  
27 provided by Subdivision (1), the protest shall be determined in

1 favor of the appraisal district.

2 SECTION 5. Section 42.29, Tax Code, is amended by adding  
3 Subsection (c) to read as follows:

4 (c) Notwithstanding Subsection (a), a property owner may  
5 not be awarded attorney's fees if the property owner fails to timely  
6 deliver a rendition statement or property report for the property  
7 that is the subject of the appeal as required by Chapter 22.

8 SECTION 6. (a) Except as provided by Subsection (b) of  
9 this section, this Act takes effect January 1, 2004, and applies  
10 only to ad valorem taxes imposed for a tax year beginning on or  
11 after that date and the rendition of property for ad valorem tax  
12 purposes for a tax year that begins on or after that date.

13 (b) Sections 1 and 2 of this Act take effect only if the  
14 constitutional amendment proposed by the 78th Legislature, Regular  
15 Session, 2003, to authorize ad valorem tax incentives to encourage  
16 the voluntary rendition of commercial tangible personal property  
17 for taxation is approved by the voters. If that amendment is not  
18 approved by the voters, Sections 1 and 2 of this Act have no effect.