

BILL ANALYSIS

S.B. 1652
By: Staples
Local Government Ways & Means
Committee Report (Amended)

BACKGROUND AND PURPOSE

Current property tax law has many provisions that need clarification, clean-up, or updating. S.B. 1652 makes those changes.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the comptroller of public accounts of the State of Texas in SECTION 1 (Section 403.303, Government Code) of this bill.

ANALYSIS

SECTION 1. Amends Section 403.303(b), Government Code, to require the comptroller of public accounts of the State of Texas (comptroller) to certify certain changes or values pertaining to the value of a school district to the commissioner of education. Prohibits the comptroller from ordering a change in the values of a school district as a result of a protest brought by another school district, property owner in the other school district, or an appraisal district that appraises property for the other school district.

SECTION 2. Amends Section 1.08, Tax Code, to provide that when a property owner is required by this title to make a payment or to file or deliver a report, application, statement, or other document or paper by, rather than before, a specified due date, his action is timely if certain conditions are met.

SECTION 3. Reenacts Section 1.085(b), Tax Code, as amended by Chapters 984 and 1173, Acts of the 78th Legislature, Regular Session, 2003, but makes no changes to existing text.

SECTION 4. Amends Sections 5.05(a) and (b), Tax Code, as follows:

(a) Authorizes, rather than requires, the comptroller to prepare and issue publications relating to the appraisal of property and the administration of taxes, or to approve other publications relating to those matters, including materials published by certain professionally recognized organizations, for use in the administration of property taxes. Makes modifications to the existing list of publications.

(b) Requires the comptroller to revise or supplement all materials issued by the comptroller or approve other publications periodically as necessary to keep them current.

SECTION 5. Amends Section 6.05, Tax Code, by adding Subsection (i), as follows:

(i) Requires the board of directors of an appraisal district (board), to ensure adherence with generally accepted appraisal practices, to develop biennially a written plan for the periodic appraisal of all property within the boundaries of the district according to the requirements of 25.18 (Periodic Reappraisals) and requires the board to hold a public hearing to consider the proposed plan. Requires the secretary of the board, not later than the 10th day before the date of the hearing, to deliver to the presiding officer of the governing body of each taxing unit participating in the district a written notice of the date, time, and place for the hearing. Requires the board, not later than September 15 of each even-numbered year, to complete its hearings, make amendments, and by resolution finally approve the plan. Requires copies of the approved

plan to be distributed to the presiding officer of the governing body of each taxing unit participating in the district and to the comptroller within 60 days of the approval date.

SECTION 6. Amends Section 11.161, Tax Code, as follows:

Sec. 11.161. IMPLEMENTS OF HUSBANDRY. Provides that machinery and equipment items, rather than implements of husbandry, that are used in the production of farm or ranch products or of timber, regardless of their primary design, are considered to be implements of husbandry and are exempt from ad valorem taxation.

SECTION 7. Amends Section 11.439(a), Tax Code, to require the chief appraiser to accept and approve or deny certain applications for exemption after the filing deadline provided by Section 11.43 if the application is filed not later than one year after the delinquency date for the taxes on the property, rather than the first anniversary of the earlier of certain dates.

SECTION 8. Amends Sections 25.18(a) and (b), Tax Code, as follows:

(a) Requires each appraisal office to implement the plan for periodic reappraisal of property approved by the board of directors under Section 6.05(i), rather than to update appraised values.

(b) Requires the plan to provide certain reappraisal activities for, rather than of, all real and personal property in the district at least every three years.

SECTION 9. Reenacts Section 25.19(b), Tax Code, as amended by Chapters 1358 and 1517, Acts of the 76th Legislature, Regular Session, 1999, but makes no changes to existing text.

SECTION 10. Amends Section 25.10(c), Tax Code, to make this subsection applicable to the residence homestead of a disabled individual.

SECTION 11. Amends Section 26.05(a), Tax Code, to make modifications to the components of the property tax rate.

SECTION 12. Amends Section 111.301(a), Tax Code, to make modifications to list of characteristics of ad valorem taxed property that entitles an individual to a refund of state sales and use taxes and state franchise taxes.

SECTION 13. Amends Section 111.304, Tax Code, as follows:

Sec. 111.304. New heading: EVALUATION; BIENNIAL REPORT. Requires the comptroller to submit a report to the legislature not later than December 31, rather than 1, of each even-numbered year. Deletes existing text referring to an annual report.

SECTION 14. Reenacts Section 312.204(a), Tax Code, as amended Chapters 560, 640, and 1258, Acts of the 77th Legislature, Regular Session, 2001, but makes no changes to existing text.

SECTION 15. Reenacts and amends Section 39.903(e), Utilities Code, as amended by Chapters 1394, 1451, and 1466, Acts of the 77th Legislature, Regular Session, 2001, to make conforming and nonsubstantive changes.

SECTION 16. Repealer: Sections 1.085(e) and (f) (Communication in Electronic Format), as added by Chapter 984, Acts of the 78th Legislature, Regular Session, 2003; and Section 39.901 (School Funding Loss Mechanism), Utilities Code.

SECTION 17. Effective date: (a) September 1, 2005, except as provided by Subsection (b) of this section. (b) Provides that Section 6 of this Act takes effect January 1, 2006.

EFFECTIVE DATE

(a) September 1, 2005, except as provided by Subsection (b) of this section. (b) Provides that Section 6 of this Act takes effect January 1, 2006.

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EXPLANATION OF AMENDMENTS

Committee amendment #1 amends Section 21.02, Tax Code, by adding Subsection (d) to clarify that motor vehicles located at wholesale auctions for a temporary period of not more than 60 days do not have taxable situs at the location of the auction facility. Also, it amends Section 22.04, Tax Code, by adding Subsection (d) to clarify that wholesale automobile auctions are not required to render for taxation motor vehicles that: (1) have not acquired taxable situs at the location of the auction; (2) are offered for sale by dealers already subject to the Vehicle Inventory Tax; or (3) are offered for sale in foreclosure as collateral possessed by a lienholder.