

By: Hill

H.B. No. 3046

A BILL TO BE ENTITLED

AN ACT

relating to the administration of ad valorem taxation.

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

SECTION 1. Section 1.08, Tax Code, is amended to read as follows:

Sec. 1.08. TIMELINESS OF ACTION BY MAIL. 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 [~~before~~] a specified due date, his action is timely if:

(1) it is sent by regular first-class mail, properly addressed with postage prepaid; and

(2) it bears a post office cancellation mark of a date earlier than or on the specified due date and within the specified period or the property owner furnishes satisfactory proof that it was deposited in the mail on or before the specified due date and within the specified period.

SECTION 2. Section 1.085(b), Tax Code, as amended by Chapters 984 and 1173, Acts of the 78th Legislature, Regular Session, 2003, is reenacted to read as follows:

(b) An agreement between a chief appraiser and a property owner must:

(1) be in writing;

(2) be signed by the chief appraiser and the property owner; and

1 (3) specify:

2 (A) the medium of communication;

3 (B) the type of communication covered;

4 (C) the means for protecting the security of a  
5 communication;

6 (D) the means for confirming delivery of a  
7 communication; and

8 (E) the electronic mail address of the property  
9 owner or person designated to represent the property owner under  
10 Section 1.111, as applicable.

11 SECTION 3. Section 6.05, Tax Code, is amended by adding  
12 Subsection (i) to read as follows:

13 (i) To ensure adherence with generally accepted appraisal  
14 practices, the board of directors of an appraisal district shall  
15 develop biennially a written plan for the periodic appraisal of all  
16 property within the boundaries of the district according to the  
17 requirements of Section 25.18 and shall hold a public hearing to  
18 consider the proposed plan. Not later than the 10th day before the  
19 date of the hearing, the secretary of the board shall deliver to the  
20 presiding officer of the governing body of each taxing unit  
21 participating in the district a written notice of the date, time,  
22 and place for the hearing. Not later than September 15 of each  
23 even-numbered year, the board shall complete its hearings, make any  
24 amendments, and by resolution finally approve the plan. Copies of  
25 the approved plan shall be distributed to the presiding officer of  
26 the governing body of each taxing unit participating in the  
27 district and to the comptroller within 60 days of the approval date.

1 SECTION 4. Section 11.161, Tax Code, is amended to read as  
2 follows:

3 Sec. 11.161. IMPLEMENTS OF HUSBANDRY. Machinery and  
4 equipment items [~~Implements of husbandry~~] that are used in the  
5 production of farm or ranch products or of timber, regardless of  
6 their primary design, are considered to be implements of husbandry  
7 and are exempt from ad valorem taxation.

8 SECTION 5. Section 11.26(i), Tax Code, is amended to read as  
9 follows:

10 (i) If an individual who qualifies for the exemption  
11 provided by Section 11.13(c) for an individual 65 years of age or  
12 older dies, the surviving spouse of the individual is entitled to  
13 the limitation applicable to the residence homestead of the  
14 individual if:

15 (1) the surviving spouse is 55 years of age or older in  
16 the year in which [~~when~~] the individual dies; and

17 (2) the residence homestead of the individual:

18 (A) is the residence homestead of the surviving  
19 spouse on the date that the individual dies; and

20 (B) remains the residence homestead of the  
21 surviving spouse.

22 SECTION 6. Section 11.261(i), Tax Code, is amended to read  
23 as follows:

24 (i) If an individual who qualifies for a limitation on  
25 county, municipal, or junior college district tax increases under  
26 this section dies, the surviving spouse of the individual is  
27 entitled to the limitation on taxes imposed by the county,

1 municipality, or junior college district on the residence homestead  
2 of the individual if:

3 (1) the surviving spouse is disabled or is 55 years of  
4 age or older in the year in which ~~when~~ the individual dies; and

5 (2) the residence homestead of the individual:

6 (A) is the residence homestead of the surviving  
7 spouse on the date that the individual dies; and

8 (B) remains the residence homestead of the  
9 surviving spouse.

10 SECTION 7. Sections 25.18(a) and (b), Tax Code, are amended  
11 to read as follows:

12 (a) Each appraisal office shall implement the ~~a~~ plan for  
13 periodic reappraisal of property approved by the board of directors  
14 under Section 6.05(i) ~~[to update appraised values]~~.

15 (b) The plan shall provide for the following reappraisal  
16 activities for ~~of~~ all real and personal property in the district  
17 at least once every three years:

18 (1) identifying properties to be appraised through  
19 physical inspection or by other reliable means of identification,  
20 including deeds or other legal documentation, aerial photographs,  
21 land-based photographs, surveys, maps, and property sketches;

22 (2) identifying and updating relevant characteristics  
23 of each property in the appraisal records;

24 (3) defining market areas in the district;

25 (4) identifying property characteristics that affect  
26 property value in each market area, including:

27 (A) the location and market area of property;

1                   (B) physical attributes of property, such as  
2 size, age, and condition;

3                   (C) legal and economic attributes; and

4                   (D) easements, covenants, leases, reservations,  
5 contracts, declarations, special assessments, ordinances, or legal  
6 restrictions;

7                   (5) developing an appraisal model that reflects the  
8 relationship among the property characteristics affecting values  
9 in each market area and determines the contribution of individual  
10 property characteristics;

11                   (6) applying the conclusions reflected in the model to  
12 the characteristics of the properties being appraised; and

13                   (7) reviewing the appraisal results to determine  
14 value.

15           SECTION 8. Section 25.19(b), Tax Code, as amended by  
16 Chapters 1358 and 1517, Acts of the 76th Legislature, Regular  
17 Session, 1999, is reenacted to read as follows:

18           (b) The chief appraiser shall separate real from personal  
19 property and include in the notice for each:

20                   (1) a list of the taxing units in which the property is  
21 taxable;

22                   (2) the appraised value of the property in the  
23 preceding year;

24                   (3) the taxable value of the property in the preceding  
25 year for each taxing unit taxing the property;

26                   (4) the appraised value of the property for the  
27 current year and the kind and amount of each partial exemption, if

1 any, approved for the current year;

2 (5) if the appraised value is greater than it was in  
3 the preceding year, the amount of tax that would be imposed on the  
4 property on the basis of the tax rate for the preceding year;

5 (6) in italic typeface, the following statement: "The  
6 Texas Legislature does not set the amount of your local taxes. Your  
7 property tax burden is decided by your locally elected officials,  
8 and all inquiries concerning your taxes should be directed to those  
9 officials";

10 (7) a detailed explanation of the time and procedure  
11 for protesting the value;

12 (8) the date and place the appraisal review board will  
13 begin hearing protests; and

14 (9) a brief explanation that the governing body of  
15 each taxing unit decides whether or not taxes on the property will  
16 increase and the appraisal district only determines the value of  
17 the property.

18 SECTION 9. Section 312.204(a), Tax Code, as amended by  
19 Chapters 560, 640, and 1258, Acts of the 77th Legislature, Regular  
20 Session, 2001, is reenacted to read as follows:

21 (a) The governing body of a municipality eligible to enter  
22 into tax abatement agreements under Section 312.002 may agree in  
23 writing with the owner of taxable real property that is located in a  
24 reinvestment zone, but that is not in an improvement project  
25 financed by tax increment bonds, to exempt from taxation a portion  
26 of the value of the real property or of tangible personal property  
27 located on the real property, or both, for a period not to exceed 10

1 years, on the condition that the owner of the property make specific  
2 improvements or repairs to the property. The governing body of an  
3 eligible municipality may agree in writing with the owner of a  
4 leasehold interest in tax-exempt real property that is located in a  
5 reinvestment zone, but that is not in an improvement project  
6 financed by tax increment bonds, to exempt a portion of the value of  
7 property subject to ad valorem taxation, including the leasehold  
8 interest, improvements, or tangible personal property located on  
9 the real property, for a period not to exceed 10 years, on the  
10 condition that the owner of the leasehold interest make specific  
11 improvements or repairs to the real property. A tax abatement  
12 agreement under this section is subject to the rights of holders of  
13 outstanding bonds of the municipality. An agreement exempting  
14 taxable real property or leasehold interests or improvements on  
15 tax-exempt real property may provide for the exemption of such  
16 taxable interests in each year covered by the agreement only to the  
17 extent its value for that year exceeds its value for the year in  
18 which the agreement is executed. An agreement exempting tangible  
19 personal property located on taxable or tax-exempt real property  
20 may provide for the exemption of tangible personal property located  
21 on the real property in each year covered by the agreement other  
22 than tangible personal property that was located on the real  
23 property at any time before the period covered by the agreement with  
24 the municipality, including inventory and supplies. In a  
25 municipality that has a comprehensive zoning ordinance, an  
26 improvement, repair, development, or redevelopment taking place  
27 under an agreement under this section must conform to the

1 comprehensive zoning ordinance.

2 SECTION 10. Sections 1.085(e) and (f), as added by Chapter  
3 984, Acts of the 78th Legislature, Regular Session, 2003, are  
4 repealed.

5 SECTION 11. (a) Except as provided by Subsection (b) of this  
6 section, this Act takes effect September 1, 2005.

7 (b) Section 4 of this Act takes effect January 1, 2006.