

By: Paxton

H.B. No. 3240

Substitute the following for H.B. No. 3240:

By: Hartnett

C.S.H.B. No. 3240

A BILL TO BE ENTITLED

AN ACT

relating to the exemption from ad valorem taxation of a residence homestead held in a court-ordered trust.

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

SECTION 1. Section 11.13(j)(3), Tax Code, is amended to read as follows:

(3) "Qualifying trust" means a trust:

(A) in which the agreement, ~~or~~ will, or court order creating the trust provides that the trustor of the trust or the beneficiary of the trust if created by court order has the right to use and occupy as the trustor's or beneficiary's principal residence residential property rent free and without charge except for taxes and other costs and expenses specified in the instrument or court order:

(i) for life;

(ii) for the lesser of life or a term of years; or

(iii) until the date the trust is revoked or terminated by an instrument or court order that describes the property with sufficient certainty to identify it and is recorded in the real property records of the county in which the property is located; and

(B) that acquires the property in an instrument of title or under a court order that:

1 (i) describes the property with sufficient
2 certainty to identify it and the interest acquired;

3 (ii) is recorded in the real property
4 records of the county in which the property is located; and

5 (iii) in the case of a trust that is not
6 created by court order, is executed by the trustor or the personal
7 representative of the trustor.

8 SECTION 2. This Act takes effect January 1, 2006, and
9 applies only to a tax year that begins on or after that date.