

1-1 By: Paxton (Senate Sponsor - Averitt) H.B. No. 3240
1-2 (In the Senate - Received from the House April 18, 2005;
1-3 April 19, 2005, read first time and referred to Committee on
1-4 Jurisprudence; May 5, 2005, reported favorably by the following
1-5 vote: Yeas 6, Nays 0; May 5, 2005, sent to printer.)

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

1-8 relating to the exemption from ad valorem taxation of a residence
1-9 homestead held in a court-ordered trust.

1-10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-11 SECTION 1. Section 11.13(j)(3), Tax Code, is amended to
1-12 read as follows:

1-13 (3) "Qualifying trust" means a trust:

1-14 (A) in which the agreement, ~~[or]~~ will, or court
1-15 order creating the trust provides that the trustor of the trust or
1-16 the beneficiary of the trust if created by court order has the right
1-17 to use and occupy as the trustor's or beneficiary's principal
1-18 residence residential property rent free and without charge except
1-19 for taxes and other costs and expenses specified in the instrument
1-20 or court order:

1-21 (i) for life;

1-22 (ii) for the lesser of life or a term of
1-23 years; or

1-24 (iii) until the date the trust is revoked or
1-25 terminated by an instrument or court order that describes the
1-26 property with sufficient certainty to identify it and is recorded
1-27 in the real property records of the county in which the property is
1-28 located; and

1-29 (B) that acquires the property in an instrument
1-30 of title or under a court order that:

1-31 (i) describes the property with sufficient
1-32 certainty to identify it and the interest acquired;

1-33 (ii) is recorded in the real property
1-34 records of the county in which the property is located; and

1-35 (iii) in the case of a trust that is not
1-36 created by court order, is executed by the trustor or the personal
1-37 representative of the trustor.

1-38 SECTION 2. This Act takes effect January 1, 2006, and
1-39 applies only to a tax year that begins on or after that date.

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