

By: Otto

H.J.R. No. 65

A JOINT RESOLUTION

1 proposing a constitutional amendment authorizing the legislature
2 to exempt from ad valorem taxation rent-to-own property not held by
3 the lessee primarily to produce income and to prescribe the method
4 to be used to depreciate taxable rent-to-own property for tax
5 appraisal purposes.

6 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

7 SECTION 1. Section 1, Article VIII, Texas Constitution, is
8 amended by amending Subsections (d) and (e) and adding Subsection
9 (j) to read as follows:

10 (d) The Legislature by general law shall exempt from ad
11 valorem taxation household goods not held or used for the
12 production of income and personal effects not held or used for the
13 production of income. The Legislature by general law may exempt
14 from ad valorem taxation:

15 (1) all or part of the personal property homestead of a
16 family or single adult, "personal property homestead" meaning that
17 personal property exempt by law from forced sale for debt;

18 (2) subject to Subsections (e) and (g) of this
19 section, all other tangible personal property, except structures
20 which are substantially affixed to real estate and are used or
21 occupied as residential dwellings and except property held or used
22 for the production of income; ~~and~~

23 (3) subject to Subsection (e) of this section, a
24 leased motor vehicle that is not held primarily for the production

1 of income by the lessee and that otherwise qualifies under general
2 law for exemption; and

3 (4) subject to Subsection (e) of this section,
4 tangible personal property of a type intended for personal use
5 within the home that is subject to a rent-to-own contract, is not
6 held primarily for the production of income by the lessee, and
7 otherwise qualifies under general law for exemption.

8 (e) The governing body of a political subdivision may
9 provide for the taxation of all property exempt under a law adopted
10 under Subdivision (2), ~~or~~ (3), or (4) of Subsection (d) of this
11 section and not exempt from ad valorem taxation by any other law.
12 The Legislature by general law may provide limitations to the
13 application of this subsection to the taxation of vehicles exempted
14 under the authority of Subdivision (3) of Subsection (d) of this
15 section or to the taxation of rent-to-own property exempted under
16 the authority of Subdivision (4) of Subsection (d) of this section.

17 (j) The Legislature by general law may prescribe the method
18 to be used to depreciate tangible personal property for the purpose
19 of appraising the property for ad valorem taxation if the property
20 is of a type intended for personal use within the home and is owned
21 by a dealer engaged in the business of leasing that type of property
22 to customers under rent-to-own contracts. The method may provide
23 for the complete depreciation of the property over a period of not
24 less than three years.

25 SECTION 2. This proposed constitutional amendment shall be
26 submitted to the voters at an election to be held November 8, 2005.
27 The ballot shall be printed to permit voting for or against the

1 proposition: "The constitutional amendment authorizing the
2 legislature to exempt from ad valorem taxation rent-to-own property
3 not held by the person renting the property primarily to produce
4 income and to prescribe the method to be used to depreciate taxable
5 rent-to-own property for tax appraisal purposes."