

By: Staples

S.B. No. 1652

A BILL TO BE ENTITLED

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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. Sections 25.18(a) and (b), Tax Code, are amended  
9 to read as follows:

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

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

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

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

22 (3) defining market areas in the district;

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

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

26 (B) physical attributes or property, such as  
27 size, age, and condition;

1                   (C) legal and economic attributes; and

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

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

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

11                   (7) reviewing the appraisal results to determine  
12 value.

13           SECTION 6. Section 25.19(b), Tax Code, as amended by  
14 Chapters 1358 and 1517, Acts of the 76th Legislature, Regular  
15 Session, 1999, is reenacted to read as follows:

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

18                   (1) a list of the taxing units in which the property is  
19 taxable;

20                   (2) the appraised value of the property in the  
21 preceding year;

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

24                   (4) the appraised value of the property for the  
25 current year and the kind and amount of each partial exemption, if  
26 any, approved for the current year;

27                   (5) if the appraised value is greater than it was in

1 the preceding year, the amount of tax that would be imposed on the  
2 property on the basis of the tax rate for the preceding year;

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

8 (7) a detailed explanation of the time and procedure  
9 for protesting the value;

10 (8) the date and place the appraisal review board will  
11 begin hearing protests; and

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

16 SECTION 7. Section 312.204(a), Tax Code, as amended by  
17 Chapters 560, 640, and 1258, Acts of the 77th Legislature, Regular  
18 Session, 2001, is reenacted to read as follows:

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

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

27 SECTION 8. Sections 1.085(e) and (f), as added by Chapter

1 984, Acts of the 78th Legislature, Regular Session, 2003, are  
2 repealed.

3 SECTION 9. (a) Except as provided by Subsection (b) of this  
4 section, this Act takes effect September 1, 2005.

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