

BILL ANALYSIS

H.B. 1928
By: Flores
Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Currently, the Texas Tax Code sets forth the types of personal property that are to be exempted from ad valorem taxation. However, the Tax Code does subject to ad valorem taxation any "structure" that a person owns which is substantially affixed to real estate and is used or occupied as a residential dwelling. Some local taxing entities have used this provision to include park model travel trailers within the types of "structures" that they can subject to ad valorem taxation. Many park model travel trailer owners consider this unfair since they believe it is quite clear that their trailers are not "substantially affixed" and therefore should not be taxed as real property.

The purpose of House Bill 1928 is to clarify that park model travel trailers are exempt from ad valorem taxation.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

The bill amends Section 11.14(b), Tax Code, to provide that in that section, the term "Structure" does not include a vehicle that:

- (A) is a trailer-type unit designed primarily for use as temporary living quarters in connection with recreational, camping, travel, or seasonal use;
- (B) is built on a single chassis mounted on wheels;
- (C) has a gross trailer area in the set-up mode of 400 square feet or less; and
- (D) is certified by the manufacturer as complying with American National Standards Institute Standard A119.5.

The bills makes conforming changes.

The bill applies only to an ad valorem tax year that begins on or after the effective date of this Act.

The bill takes effect January 1, 2008.

EFFECTIVE DATE

January 1, 2008.