

By: Hilderbran, Keffer, Otto,
Martinez Fischer, Cook of Colorado,
et al.

H.B. No. 1022

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the exemption from ad valorem taxation of a motor
3 vehicle owned by an individual and used in the course of the owner's
4 occupation or profession and also for personal activities of the
5 owner and to the rendition of such vehicles.

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

7 SECTION 1. Subchapter B, Chapter 11, Tax Code, is amended by
8 adding Section 11.253 to read as follows:

9 Sec. 11.253. MOTOR VEHICLE USED FOR PRODUCTION OF INCOME
10 AND FOR PERSONAL ACTIVITIES. (a) Except as provided by Subsection
11 (c), an individual is entitled to an exemption from taxation of one
12 motor vehicle owned by the individual that is used in the course of
13 the individual's occupation or profession and is also used for
14 personal activities of the owner that do not involve the production
15 of income.

16 (b) In this section, "motor vehicle" means a passenger car
17 or light truck as those terms are defined by Section 502.001,
18 Transportation Code.

19 (c) A person who has been granted or applied for an
20 exemption under this section may not apply for another exemption
21 under this section until after the application or exemption has
22 been denied.

23 (d) This section does not apply to a motor vehicle used to
24 transport passengers for hire.

1 SECTION 2. Section 22.01(k), Tax Code, is amended to read as
2 follows:

3 (k) Notwithstanding Subsections (a) and (b), an individual
4 who has been granted or has applied for an exemption from taxation
5 under Section 11.253 for a motor vehicle the individual owns [~~and is~~
6 ~~the primary operator of one or more passenger cars or light trucks~~
7 ~~in the course of the individual's occupation or profession and also~~
8 ~~operates those vehicles for personal activities that do not involve~~
9 ~~the production of income]~~ is not required to render the motor
10 vehicle [~~vehicles~~] for taxation. [~~In this subsection, "passenger~~
11 ~~car" and "light truck" have the meanings assigned by Section~~
12 ~~502.001, Transportation Code.~~]

13 SECTION 3. (a) This Act applies beginning with the tax
14 year that begins January 1, 2007.

15 (b) For purposes of applying Section 11.253, Tax Code, as
16 added by this Act, to the 2007 tax year, a person claiming an
17 exemption from ad valorem taxation under that section in 2007 may
18 apply for the exemption not later than April 1, 2008. The chief
19 appraiser of an appraisal district shall correct the appraisal roll
20 for the district to reflect any exemption granted by the chief
21 appraiser under Section 11.253, Tax Code, as added by this Act, for
22 the 2007 tax year as soon as practicable and shall promptly certify
23 each exemption to the assessor for each taxing unit that imposes ad
24 valorem taxes on a motor vehicle owned by the person. If a person
25 who is granted an exemption under Section 11.253, Tax Code, as added
26 by this Act, for the 2007 tax year paid taxes on the person's exempt
27 motor vehicle for 2007 before the date the person was granted the

1 exemption, the collector for the taxing unit shall refund the
2 amount of taxes paid on the exempt motor vehicle not later than the
3 30th day after the date the exemption is certified to the assessor
4 for the unit.

5 SECTION 4. This Act takes effect on the date on which the
6 constitutional amendment proposed by the 80th Legislature, Regular
7 Session, 2007, authorizing the legislature to exempt from ad
8 valorem taxation one motor vehicle owned by an individual and used
9 in the course of the owner's occupation or profession and also for
10 personal activities of the owner, takes effect, if that
11 constitutional amendment is approved by the voters. If that
12 constitutional amendment is not approved by the voters, this Act
13 has no effect.