

AN ACT

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

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

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

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

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

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

(d) This section does not apply to a motor vehicle used to 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.

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President of the Senate

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Speaker of the House

I certify that H.B. No. 1022 was passed by the House on April 23, 2007, by the following vote: Yeas 142, Nays 0, 1 present, not voting.

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Chief Clerk of the House

I certify that H.B. No. 1022 was passed by the Senate on May 22, 2007, by the following vote: Yeas 31, Nays 0.

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Secretary of the Senate

APPROVED: \_\_\_\_\_

Date

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Governor