

By: Geren

H.B. No. 3948

A BILL TO BE ENTITLED

AN ACT

1
2 relating to ad valorem taxation administered by the comptroller;
3 relying on self-reports; sales disclosure by taxpayers; and the
4 abolition of central appraisal districts and all related functions;
5 providing penalties.

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

7 SECTION 1. Chapter 2, Tax Code, is added to read as follows:

8 CHAPTER 2. STATE ADMINISTRATION OF PROPERTY TAXES

9 Sec. 2.01. COUNTY APPRAISAL OFFICE; CHIEF ADMINISTRATOR

10 (a) The comptroller shall operate an appraisal office in each
11 county.

12 (b) The appraisal office is responsible for appraising
13 property in the county for ad valorem tax purposes of each taxing
14 unit that imposes ad valorem taxes on property in the county.

15 (c) For purposes of this title, each taxing unit with
16 territory in the county is considered to participate in the
17 appraisal office established for that county.

18 Sec. 2.02. CHIEF ADMINISTRATOR; APPRAISAL OFFICE STAFF.

19 (a) The chief administrator is appointed by and serves at the
20 pleasure of the comptroller. A chief administrator appointed under
21 this section is not eligible to serve if the person held the
22 position of chief appraiser or executive director of a central
23 appraisal district 5 years preceding the effective date of this
24 Act.

1 (b) The chief administrator is entitled to compensation as
2 provided by the budget approved by the comptroller. The chief
3 administrator may employ and compensate professional, clerical,
4 and other personnel for the appraisal office as provided by the
5 budget.

6 (c) The chief administrator may delegate authority to
7 employees of the appraisal office.

8 Sec. 2.03. BUDGET AND FINANCING. (a) Each year the chief
9 administrator shall prepare a proposed budget for the operations of
10 the appraisal office for the following tax year and shall submit
11 copies to the comptroller and to each taxing unit for which the
12 office appraises property. The chief administrator shall include
13 in the budget a list showing each proposed position, the proposed
14 salary for the position, all benefits proposed for the position,
15 each proposed capital expenditure, and an estimate of the amount of
16 the budget that will be allocated to each taxing unit. Each taxing
17 unit entitled to vote on the appointment of board members shall
18 maintain a copy of the proposed budget for public inspection at its
19 principal administrative office.

20 (d) Each taxing unit for which the office appraises property
21 is allocated a portion of the amount of the budget equal to the
22 proportion that the total dollar amount of property taxes imposed
23 in the county for which the appraisal office is established by the
24 unit for the tax year in which the budget proposal is prepared bears
25 to the sum of the total dollar amount of property taxes imposed in
26 the county by each participating unit for that year.

27 Sec. 2.03. RENDITION GENERALLY. (a) Except as provided by

1 subsection (b), a person shall render for taxation all tangible
2 real and personal property that is not otherwise exempt that the
3 person owns or that the person manages and controls as a fiduciary
4 on January 1. A rendition statement shall contain:

5 (1) the name and address of the property owner;
6 (2) a description of the property by type or category;
7 (3) if the property is inventory, a description of
8 each type of inventory and a general estimate of the quantity of
9 each type of inventory;

10 (4) the physical location or taxable situs of the
11 property; and

12 (5) the property owner's good faith estimate of the
13 market value of the property and the historical cost when new and
14 the year of acquisition of the property.

15 (b) A rendition of real property remains in effect for
16 subsequent years and a property owner is not required to file a
17 rendition for subsequent years.

18 Sec. 2.04. DISCLOSURE AND USE OF SALES INFORMATION. (a)
19 The comptroller shall prescribe the form and content of a real
20 property conveyance report filed under this subchapter. The
21 comptroller may prescribe different report forms for different
22 kinds of property and shall ensure that each form requires the
23 person filing the report to provide:

24 (1) the transferor's name and address;
25 (2) the transferee's name and address;
26 (3) information necessary to identify the property and
27 to determine its location;

1 (4) the address to which tax notices concerning the
2 property should be mailed;

3 (5) the value of any personal property included in the
4 conveyance;

5 (6) the purchase price of the property;

6 (7) the date the transaction was closed; and

7 (8) the name and address of the person preparing the
8 report.

9 (b) A person who files a report under this subchapter must:

10 (1) use the appropriate form prescribed by the
11 comptroller; and

12 (2) include all information required by the form.

13 (c) The sales price of the property shall form the person's
14 good faith estimate of market value and its presumed to be the
15 appraised value of the property.

16 Sec. 2.05. RENDITION OF PROPERTY LOSING EXEMPTION DURING
17 TAX YEAR OR FOR WHICH EXEMPTION APPLICATION IS DENIED. (a) If an
18 exemption applicable to a property on January 1 terminates during
19 the tax year, the person who owns or acquires the property on the
20 date applicability of the exemption terminates shall render the
21 property for taxation within 30 days after the date of termination.

22 (b) If the chief administrator denies an application for an
23 exemption for property, the person who owns the property on the date
24 the application is denied shall render the property for taxation in
25 the manner provided by herein within 30 days after the date of
26 denial.

27 Sec. 2.06. REPORT OF DECREASED VALUE. (a) A person who

1 believes the assessed value of his property decreased during the
2 preceding tax year for any reason other than normal depreciation
3 may file an information report describing the property involved and
4 stating the nature and cause of the decrease.

5 (b) Except as provided by Subsection (d) of this section,
6 before determining the appraised value of property that is the
7 subject of a completed and timely filed report as provided by
8 Subsection (a) of this section, the chief administrator must view
9 the property to verify any reported change in appraised value and
10 its cause and nature. The person who views the property shall note
11 on the back of the property owner's report his name, the date he
12 viewed the property, and his determination of any decrease in
13 appraised value and its cause and nature.

14 (c) The chief administrator shall deliver a written notice
15 to the property owner of the determination made as provided by
16 Subsection (b) of this section.

17 Sec. 2.07. REPORT BY BAILEE, LESSEE, OR OTHER POSSESSOR.

18 (a) When required by the chief administrator, a person shall file a
19 report listing the name and address of each owner of property that
20 is in his possession or under his management on January 1 by
21 bailment, lease, consignment, or other arrangement.

22 (b) When required by the chief administrator, a person who
23 leases or otherwise provides space to another for storage of
24 personal property shall file an information report stating the name
25 and address of each person to whom he leased or otherwise provided
26 storage space on January 1.

27 Sec. 2.08. INSPECTION OF PROPERTY. (a) The chief

1 administrator or his authorized representative may enter the
2 premises of a business, trade, or profession and inspect the
3 property to determine the existence and market value of tangible
4 real or personal property having a taxable situs in the district.

5 (b) An inspection under this section must be during normal
6 business hours or at a time mutually agreeable to the chief
7 administrator or his representative and the person in control of
8 the premises.

9 (c) The chief administrator may request, either in writing
10 or by electronic means, that the property owner provide a statement
11 containing supporting information indicating how the value
12 rendered was determined. The statement must:

13 (1) summarize information sufficient to identify the
14 property, including:

15 (A) the physical and economic characteristics
16 relevant to the opinion of value, if appropriate; and

17 (B) the source of the information used;

18 (2) state the effective date of the opinion of value;
19 and

20 (3) explain the basis of the value rendered.

21 (d) The property owner shall deliver the statement to the
22 chief administrator, either in writing or by electronic means, not
23 later than the 21st day after the date the chief administrator's
24 request is received.

25 (e) A statement provided under this section is confidential
26 information and may not be disclosed, except as provided herein.

27 (f) Failure to comply with this section in a timely manner

1 is considered to be a failure to timely render and penalties as
2 described herein shall be applied by the chief administrator.

3 Sec. 2.09. PUBLICIZING REQUIREMENTS. Each year the
4 comptroller and each chief administrator shall publicize in a
5 manner reasonably designed to notify all property owners the
6 requirements of the law relating to filing rendition statements and
7 property reports and of the availability of forms.

8 Sec. 2.10. FILING DATE. (a) For residential real property,
9 rendition statements and property reports must be delivered to the
10 chief administrator no later than 60 days after the date of closing
11 of the real estate transaction and shall be submitted by a title
12 agent or escrow agent.

13 (b) For all other real property, rendition statements and
14 property reports must be delivered to the chief administrator after
15 January 1 and not later than April 15.

16 (c) On written request by the property owner, the chief
17 administrator shall extend a deadline for filing a rendition
18 statement or property report to May 15. The chief administrator may
19 further extend the deadline an additional 15 days upon good cause
20 shown in writing by the property owner.

21 Sec. 2.11. RENDITION AND REPORT FORMS. (a) A person
22 required to render property or to file a report as provided by this
23 chapter shall use a form that complies with the appropriate form
24 prescribed or approved by the comptroller.

25 (b) A person filing a rendition or report shall include all
26 information required hereunder.

27 (c) The comptroller may prescribe or approve different

1 forms for different kinds of property but shall ensure that each
2 form requires a property owner to furnish the information necessary
3 to identify the property and to determine its ownership,
4 taxability, and situs. In addition, a form prescribed or approved
5 under this subsection must contain the following statement in bold
6 type: "If you make a false statement on this form you could be found
7 guilty of a Class A misdemeanor or a state jail felony under Section
8 37.10, Penal Code."

9 (d) To be valid, a rendition or report must be sworn to
10 before an officer authorized by law to administer an oath. The
11 comptroller may not prescribe or approve a rendition or report form
12 unless the form provides for the person filing the form to swear
13 that the information provided in the rendition or report is true and
14 accurate to the best of the person's knowledge and belief.

15 Sec. 2.12. PLACE AND MANNER OF FILING. A rendition
16 statement or property report required or authorized by this chapter
17 must be filed with the chief administrator for the district in which
18 the property listed in the statement or report is taxable.

19 Sec. 2.13. SIGNATURE. (a) Each rendition statement or
20 property report required or authorized by this chapter must be
21 signed by an individual who is required to file the statement or
22 report.

23 (b) When a corporation is required to file a statement or
24 report, an officer of the corporation or an employee or agent who
25 has been designated in writing by the board of directors or by an
26 authorized officer to sign in behalf of the corporation must sign
27 the statement or report.

1 Sec. 2.14. CONFIDENTIAL INFORMATION. (a) Rendition
2 statements, real and personal property reports, attachments to
3 those statements and reports, and other information the owner of
4 property provides to the appraisal office in connection with the
5 appraisal of the property are confidential and not open to public
6 inspection. The information they contain will be held confidential
7 and may not be disclosed to anyone other than an employee of the
8 appraisal office who appraises property except as authorized by
9 Subsection (b) of this section.

10 (b) Information made confidential by this section may be
11 disclosed:

12 (1) in a judicial or administrative proceeding
13 pursuant to a lawful subpoena;

14 (2) to the person who filed the statement or report or
15 the owner of property subject to the statement, report, or
16 information or to a representative of either authorized in writing
17 to receive the information;

18 (3) to the comptroller and the comptroller's employees
19 authorized by the comptroller in writing to receive the information
20 or to an assessor or a chief administrator if requested in writing;

21 (4) in a judicial or administrative proceeding
22 relating to property taxation to which the person who filed the
23 statement or report or the owner of the property that is a subject
24 of the statement, report, or information is a party; or

25 (5) for statistical purposes if in a form that does not
26 identify specific property or a specific property owner.

27 (c) A person who legally has access to a statement or report

1 or to other information made confidential by this section or who
2 legally obtains the confidential information commits a Class B
3 misdemeanor if he knowingly:

4 (1) permits inspection of the statement or report by a
5 person not authorized to inspect it by Subsection (b) of this
6 section; or

7 (2) discloses the confidential information to a person
8 not authorized to receive the information by Subsection (b) of this
9 section.

10 (d) No person who directly or indirectly provides
11 information to the comptroller or appraisal office about real or
12 personal property sales prices shall be liable to any other person
13 as the result of providing such information.

14 Sec. 2.15. MARGIN OF ERROR OF RENDITION STATEMENT FILED BY
15 PROPERTY OWNER. A person who files a rendition statement for real
16 property with the chief administrator shall not be subject to a
17 penalty of fraud or intent to evade tax if the market value rendered
18 for real property is within 5 percent of the market value as
19 determined by an audit order of the comptroller.

20 Sec. 2.16. PENALTY FOR FRAUD OR INTENT TO EVADE TAX. (a)
21 The chief administrator shall impose an additional penalty on the
22 person equal to 25 percent of the total amount of taxes imposed on
23 the property for the tax year of the statement or report by the
24 taxing units participating in the appraisal district if it is
25 finally determined by a court that:

26 (1) the person filed a false statement or report with
27 the intent to commit fraud or to evade the tax; or

1 (2) the person alters, destroys, or conceals any
2 record, document, or thing, or presents to the chief administrator
3 any altered or fraudulent record, document, or thing, or otherwise
4 engages in fraudulent conduct, for the purpose of affecting the
5 course or outcome of an inspection, investigation, determination,
6 or other proceeding before the appraisal district.

7 (b) Enforcement of this section shall be by a proceeding
8 initiated by the district or county attorney of the county in which
9 the appraisal is established, on behalf of the appraisal district.

10 (c) In making a determination of liability under this
11 section, the court shall consider:

12 (1) the person's compliance history with respect to
13 paying taxes and filing statements or reports;

14 (2) the type, nature, and taxability of the specific
15 property involved;

16 (3) the type, nature, size, and sophistication of the
17 person's business or other entity for which property is rendered;

18 (4) the completeness of the person's records;

19 (5) the person's reliance on advice provided by the
20 appraisal district that may have contributed to the violation;

21 (6) any change in appraisal district policy during the
22 current or preceding tax year that may affect how property is
23 rendered; and

24 (7) any other factor the court considers relevant.

25 (d) The chief administrator may retain a portion of a
26 penalty collected under this section, not to exceed 20 percent of
27 the amount of the penalty, to cover the chief administrator's costs

1 of collecting the penalty. The chief administrator shall
2 distribute the remainder of the penalty to each taxing unit
3 participating in the appraisal district that imposes taxes on the
4 property in proportion to the taxing unit's share of the total
5 amount of taxes imposed on the property by all taxing units
6 participating in the district.

7 Sec. 2.17. WAIVER OF PENALTY. (a) The chief administrator
8 may waive the penalty imposed if the chief administrator determines
9 that the person exercised reasonable diligence to comply with or
10 has substantially complied with the requirements of this chapter. A
11 written request, accompanied by supporting documentation, stating
12 the grounds on which penalties should be waived must be sent to the
13 chief administrator not later than the 30th day after the date the
14 person received notification of the imposition of the penalty. The
15 chief administrator shall make a determination of the penalty
16 waiver request based on the information submitted.

17 (b) the chief administrator shall notify the person of the
18 chief administrator's determination regarding the penalty waiver
19 request after considering:

20 (1) the person's compliance history with respect to
21 paying taxes and filing statements or reports;

22 (2) the type, nature, and taxability of the specific
23 property involved;

24 (3) the type, nature, size, and sophistication of the
25 person's business or other entity for which property is rendered;

26 (4) the completeness of the person's records;

27 (5) the person's reliance on advice provided by the

1 appraisal district or any other licensed professional with
2 experience in the real estate market that may have contributed to
3 the person's failure to comply and the imposition of the penalty;

4 (6) any change in appraisal district policy during the
5 current or preceding tax year that may affect how property is
6 rendered; and

7 (7) any other factors that may have caused the person
8 to fail to timely file a statement or report.

9 Sec. 2.18. APPRAISALS GENERALLY. (a) All taxable property
10 is appraised at its market value as of January 1. The market value
11 of property shall be determined based upon the good faith estimate
12 of value set forth in the owner's rendition.

13 Sec. 2.19. PREPARATION OF APPRAISAL RECORDS. (a) By May 15
14 or as soon thereafter as practicable, the chief administrator shall
15 prepare appraisal records listing all property that is taxable in
16 the district and stating the appraised value of each.

17 Sec. 2.20. SPECIAL APPRAISAL RECORDS. (a) The chief
18 administrator for each appraisal district shall prepare and
19 maintain a record of property specially appraised under Chapter 23
20 of this code and subject, in the future, to additional taxation for
21 change in use or status.

22 (b) The record for each type of specially appraised property
23 must be maintained in a separate document for each 12-month period
24 beginning June 1. The document must include the name of at least one
25 owner of the property, the acreage of the property, and other
26 information sufficient to identify the property as required by the
27 comptroller. All entries in each document must be kept in

1 alphabetical order according to the last name of each owner whose
2 name is part of the record.

3 Sec. 2.21. FORM AND CONTENT. (a) The appraisal records
4 shall be in the form prescribed by the comptroller and shall
5 include:

6 (1) the name and address of the owner or, if the name
7 or address is unknown, a statement that it is unknown;

8 (2) real property;

9 (3) separately taxable estates or interests in real
10 property, including taxable possessory interests in exempt real
11 property;

12 (4) personal property;

13 (5) the appraised value of land and, if the land is
14 appraised as provided by Subchapter C, D, E, or H, Chapter 23, the
15 market value of the land;

16 (6) the appraised value of improvements to land;

17 (7) the appraised value of a separately taxable estate
18 or interest in land;

19 (8) the appraised value of personal property;

20 (9) the kind of any partial exemption the owner is
21 entitled to receive, whether the exemption applies to appraised or
22 assessed value, and, in the case of an exemption authorized by
23 Section 11.23, the amount of the exemption;

24 (10) the tax year to which the appraisal applies; and

25 (11) an identification of each taxing unit in which
26 the property is taxable.

27 (b) A mistake in the name or address of an owner does not

1 affect the validity of the appraisal records, of any appraisal or
2 tax roll based on them, or of the tax imposed. The mistake may be
3 corrected as provided by this code.

4 Sec. 2.22. DESCRIPTION. (a) Property shall be described in
5 the appraisal records with sufficient certainty to identify it. The
6 description of a manufactured home shall include the correct
7 identification or serial number of the home or the Department of
8 Housing and Urban Development label number or the state seal number
9 in addition to the information required in Subsection (c) of this
10 Section. A manufactured home shall not be included in the appraisal
11 records unless this identification and descriptive information is
12 included.

13 (b) The comptroller may adopt rules establishing minimum
14 standards for descriptions of property.

15 (c) Each description of a manufactured home shall include
16 the approximate square footage, the approximate age, the general
17 physical condition, and any characteristics which distinguish the
18 particular manufactured home.

19 Sec. 2.23. SEPARATE ESTATES OR INTERESTS. Except as
20 otherwise provided by this chapter, when different persons own land
21 and improvements in separate estates or interests, each separately
22 owned estate or interest shall be listed separately in the name of
23 the owner of each if the estate or interest is described in a duly
24 executed and recorded instrument of title.

25 Sec. 2.24. LIFE ESTATES. Real property owned by a life
26 tenant and remainderman shall be listed in the name of the life
27 tenant.

1 Sec. 2.25. PROPERTY ENCUMBERED BY POSSESSORY OR SECURITY
2 INTEREST. (a) Property encumbered by a leasehold or other
3 possessory interest or by a mortgage, deed of trust, or other
4 interest securing payment or performance of an obligation shall be
5 listed in the name of the owner of the property so encumbered.

6 (b) Except as otherwise directed in writing, real property
7 that is subject to an installment contract of sale shall be listed
8 in the name of the seller if the installment contract is not filed
9 of record in the real property records of the county.

10 (c) This section does not apply to:

11 (1) any portion of a facility owned by the Texas
12 Department of Transportation that is part of the Trans-Texas
13 Corridor, is a rail facility or system, or is a highway in the state
14 highway system and that is licensed or leased to a private entity by
15 that department under Chapter 91, 227, or 361, Transportation Code;
16 or

17 (2) a leasehold or other possessory interest granted
18 by the Texas Department of Transportation in a facility owned by
19 that department that is part of the Trans-Texas Corridor, is a rail
20 facility or system, or is a highway in the state highway system.

21 Sec. 2.26. LEASEHOLD AND OTHER POSSESSORY INTERESTS IN
22 EXEMPT PROPERTY. (a) Except as provided by Subsection (b) of this
23 section, a leasehold or other possessory interest in real property
24 that is exempt from taxation to the owner of the estate or interest
25 encumbered by the possessory interest shall be listed in the name of
26 the owner of the possessory interest if the duration of the interest
27 may be at least one year.

1 (b) Except as provided by Subsections (b) and (c) of Section
2 11.11 of this code, a leasehold or other possessory interest in
3 exempt property may not be listed if:

4 (1) the property is permanent university fund land;

5 (2) the property is county public school fund
6 agricultural land;

7 (3) the property is a part of a public transportation
8 facility owned by an incorporated city or town and:

9 (A) is an airport passenger terminal building or
10 a building used primarily for maintenance of aircraft or other
11 aircraft services, for aircraft equipment storage, or for air
12 cargo;

13 (B) is an airport fueling system facility;

14 (C) is in a foreign-trade zone:

15 (i) that has been granted to a joint airport
16 board under Chapter 129, Acts of the 65th Legislature, Regular
17 Session, 1977 (Article 1446.8, Vernon's Texas Civil Statutes);

18 (ii) the area of which in the portion of the
19 zone located in the airport operated by the joint airport board does
20 not exceed 2,500 acres; and

21 (iii) that is established and operating
22 pursuant to federal law; or

23 (D)(i) is in a foreign trade zone established
24 pursuant to federal law after June 1, 1991, which operates pursuant
25 to federal law;

26 (ii) it is contiguous to or has access via a
27 taxiway to an airport located in two counties, one of which has a

1 population of 500,000 or more according to the federal decennial
2 census most recently preceding the establishment of the foreign
3 trade zone; and

4 (iii) is owned, directly or through a
5 corporation organized under the Development Corporation Act of 1979
6 (Article 5190.6, Vernon's Texas Civil Statutes), by the same
7 incorporated city or town which owns the airport;

8 (4) the interest is in a part of:

9 (A) a park, market, fairground, or similar public
10 facility that is owned by an incorporated city or town; or

11 (B) a convention center, visitor center, sports
12 facility with permanent seating, concert hall, arena, or stadium
13 that is owned by an incorporated city or town as such leasehold or
14 possessory interest serves a governmental, municipal, or public
15 purpose or function when the facility is open to the public,
16 regardless of whether a fee is charged for admission;

17 (5) the interest involves only the right to use the
18 property for grazing or other agricultural purposes;

19 (6) the property is owned by the Texas National
20 Research Laboratory Commission or by a corporation formed by the
21 Texas National Research Laboratory Commission under Section
22 465.008(g), Government Code, and is used or is useful in connection
23 with an eligible undertaking as defined by Section 465.021,
24 Government Code; or

25 (7) the property is:

26 (A) owned by a municipality, a public port, or a
27 navigation district created or operating under Section 59, Article

1 XVI, Texas Constitution, or under a statute enacted under Section
2 59, Article XVI, Texas Constitution; and

3 (B) used as an aid or facility incidental to or
4 useful in the operation or development of a port or waterway or in
5 aid of navigation-related commerce.

6 (c) Subsection (a) does not apply to:

7 (1) any portion of a facility owned by the Texas
8 Department of Transportation that is part of the Trans-Texas
9 Corridor, is a rail facility or system, or is a highway in the state
10 highway system and that is licensed or leased to a private entity by
11 that department under Chapter 91, 227, or 361, Transportation Code;
12 or

13 (2) a leasehold or other possessory interest granted
14 by the Texas Department of Transportation in a facility owned by
15 that department that is part of the Trans-Texas Corridor, is a rail
16 facility or system, or is a highway in the state highway system.

17 Sec. 2.27. IMPROVEMENTS. (a) Except as provided by
18 Subsections (b) through (f), an improvement may be listed in the
19 name of the owner of the land on which the improvement is located.

20 (b) If a person who is not entitled to exemption owns an
21 improvement on exempt land, the improvement shall be listed in the
22 name of the owner of the improvement.

23 (c) When a person other than the owner of an improvement
24 owns the land on which the improvement is located, the land and the
25 improvement shall be listed separately in the name of the owner of
26 each if either owner files with the chief administrator before May 1
27 a written request for separate taxation on a form furnished for that

1 purpose together with proof of separate ownership. After an
2 improvement qualifies for taxation separate from land, the
3 qualification remains effective in subsequent tax years and need
4 not be requested again. However, the qualification ceases when
5 ownership of the land or the improvement is transferred or either
6 owner files a request to cancel the separate taxation.

7 (d) Within 30 days after an owner of land or an improvement
8 qualifies for separate taxation or cancels a qualification, the
9 chief administrator shall deliver a written notice of the
10 qualification or cancellation to the other owner.

11 (e) A manufactured home shall be listed together with the
12 land on which the home is located if:

13 (1) the statement of ownership and location for the
14 home issued under Section 1201.207, Occupations Code, reflects that
15 the owner has elected to treat the home as real property; and

16 (2) a certified copy of the statement of ownership and
17 location has been filed in the real property records in the county
18 in which the home is located.

19 (f) A manufactured home shall be listed separately from the
20 land on which the home is located if either of the conditions
21 provided by Subsection (e) is not satisfied.

22 Sec. 2.28. CONDOMINIUMS AND PLANNED UNIT DEVELOPMENTS. (a)
23 A separately owned apartment or unit in a condominium as defined in
24 the Condominium Act shall be listed in the name of the owner of each
25 particular apartment or unit. The value of each apartment or unit
26 shall include the value of its fractional share in the common
27 elements of the condominium.

1 (b) Property owned by a planned unit development
2 association may be listed and taxes imposed proportionately against
3 each member of the association if the association files with the
4 chief administrator before May 1 a resolution adopted by vote of a
5 majority of all members of the association authorizing the
6 proportionate imposition of taxes. A resolution adopted as
7 provided by this subsection remains effective in subsequent tax
8 years unless it is revoked by a similar resolution.

9 (c) If property is listed and taxes imposed proportionately
10 as authorized by Subsection (b) of this section, the amount of tax
11 to be imposed on the associations's property shall be divided by the
12 number of parcels of real property in the development. The quotient
13 is the proportionate amount of tax to be imposed on each parcel, and
14 a tax lien attaches to each parcel to secure payment of its
15 proportionate share of the tax on the association's property.

16 (d) For purposes of this section, "planned unit development
17 association" means an association that owns and maintains property
18 in a real property development project for the benefit of its
19 members, who are owners of individual parcels of real property in
20 the development and are members of the association because of that
21 ownership.

22 Sec. 2.29. STANDING TIMBER. (a) Except as provided by
23 Subsections (b) and (c) of this section, standing timber may be
24 listed together with the land on which it is located in the name of
25 the owner of the land.

26 (b) If a person who is not entitled to exemption owns
27 standing timber on exempt land, the timber shall be listed

1 separately in the name of the owner of the timber.

2 (c) When a person other than the owner of standing timber
3 owns the land on which the timber is located, the land and the
4 timber shall be listed separately in the name of the owner of each
5 if either owner files with the chief administrator before May 1 a
6 written request for separate taxation on a form furnished for that
7 purpose together with proof of separate ownership. A qualification
8 for separate taxation of timber expires at the end of the tax year.

9 (d) Within 30 days after an owner of land or timber
10 qualifies for separate taxation, the shall deliver a written notice
11 of the qualification to the other owner.

12 Sec. 2.30. UNDIVIDED INTERESTS. (a) Except as provided by
13 Section 25.12 of this code and by Subsection (b) of this section, a
14 property owned in undivided interests may be listed jointly in the
15 name of all owners of undivided interests in the property or in the
16 name of any one or more owners.

17 (b) An undivided interest in a property shall be listed
18 separately from other undivided interests in the property in the
19 name of its owner if the interest is described in a duly executed
20 and recorded instrument of title and the owner files with the
21 appraisal office before May 1 a written request for separate
22 taxation on a form furnished for that purpose together with proof of
23 ownership and of the proportion his interest bears to the whole.
24 After an undivided interest qualifies for separate taxation, the
25 qualification remains effective in subsequent tax years and need
26 not be requested again. However, the qualification ceases when
27 ownership is transferred or when any owner files a request to cancel

1 separate taxation.

2 (c) Within 30 days after an owner qualifies for separate
3 taxation or cancels a qualification, the chief administrator shall
4 deliver a written notice of the qualification or cancellation to
5 the other owners.

6 Sec. 2.31. MINERAL INTEREST (a) Except as provided by
7 Subsection (b) of this section, each separate interest in minerals
8 in place shall be listed separately from other interests in the
9 minerals in place in the name of the owner of the interest.

10 (b) Separate interests in minerals in place, other than
11 interests having a taxable value of less than \$500, shall be listed
12 jointly in the name of the operator designated with the railroad
13 commission or the name of all owners or any combination of owners if
14 the designated operator files with the appraisal office before May
15 1 a written request for joint taxation on a form furnished for that
16 purpose. A qualification pursuant to this subsection for joint
17 taxation remains effective in subsequent tax years and need not be
18 requested again. However, the qualification ceases when the
19 designated operator files a request to cancel joint taxation.

20 (c) If a written request for joint taxation has been filed
21 under Subsection (b), the notice of appraised value provided for by
22 Section 25.19 for the owners included in the request for joint
23 taxation shall be delivered to the operator, owner, or owners of the
24 mineral interest in whose name the mineral interest is designated
25 for joint taxation. The chief administrator is not required to
26 deliver a separate notice of appraised value to each owner included
27 in the request for joint taxation. However, the chief

1 administrator shall deliver a separate notice of appraised value to
2 an owner of an interest in the property who before May 1 files a
3 written request to receive a separate notice of appraised value
4 with the chief administrator on a form provided by the appraisal
5 district for that purpose. The request is effective for each
6 subsequent year until revoked by the owner or until the owner no
7 longer owns an interest in the property.

8 Sec. 2.32. EXEMPT PROPERTY SUBJECT TO CONTRACT OF SALE.

9 Property that is exempt from taxation to the titleholder but is
10 subject on January 1 to a contract of sale to a person not entitled
11 to exemption shall be listed in the name of the purchaser.

12 Sec. 2.33. QUALIFYING TRUSTS. The interest of a qualifying
13 trust as defined by Section 11.13(j) in a residence homestead shall
14 be listed in the name of the trustor of the trust.

15 Sec. 2.34. PROPERTY LOSING EXEMPTION DURING TAX YEAR. (a)
16 If an exemption applicable to a property on January 1 terminates
17 during the tax year, the property shall be listed in the name of the
18 person who owns or acquires the property on the date applicability
19 of the exemption terminates.

20 (b) The chief administrator shall make an entry on the
21 appraisal records showing that taxes on the property are to be
22 calculated as provided by Section 26.10 of this code and showing the
23 date on which exemption terminated.

24 Sec. 2.35. PROPERTY OVERLAPPING TAXING UNIT BOUNDARIES. If
25 real property is located partially outside and partially inside a
26 taxing unit's boundaries, the portion inside the unit's boundaries
27 shall be listed separately from the remaining portion.

1 Sec. 2.36. OMITTED PROPERTY. (a) If the chief
2 administrator discovers that the real property was omitted from an
3 appraisal roll in any one of the five preceding years or that
4 personal property was omitted from an appraisal roll in one of the
5 two preceding years, he shall appraise the property as of January 1
6 of each year that it was omitted and enter the property and its
7 appraised value in the appraisal records.

8 (b) The entry shall show that the appraisal is for property
9 that was omitted from an appraisal roll in a prior year and shall
10 indicate the year and the appraised value for each year.

11 Sec. 2.37. SUPPLEMENTAL APPRAISAL RECORDS. (a) After
12 submission of appraisal records, the chief administrator shall
13 prepare supplemental appraisal records listing:

14 (1) each taxable property the chief administrator
15 discovers that is not included in the records already submitted,
16 including property that was omitted from an appraisal roll in a
17 prior tax year;

18 (2) property on which the appraisal review board has
19 not determined a protest at the time of its approval of the
20 appraisal records; and

21 (3) property that qualifies for an exemption under
22 Section 11.13(n) that was adopted by the governing body of a taxing
23 unit after the date the appraisal records were submitted.

24 (b) Supplemental appraisal records shall be in the form
25 prescribed by the comptroller and shall include the items required
26 by Section 25.02 of this code.

27 Sec. 2.38. APPRAISAL ROLL. The appraisal records as

1 approved by the chief administrator constitute the appraisal roll
2 for the district.

3 Sec. 2.39. CORRECTION OF APPRAISAL ROLL. (a) The chief
4 administrator may change the appraisal roll at any time to correct a
5 name or address, a determination of ownership, a description of
6 property, multiple appraisals of a property, or a clerical error or
7 other inaccuracy as prescribed by board rule that does not increase
8 the amount of tax liability. Before the 10th day after the end of
9 each calendar quarter, the chief administrator shall submit to the
10 appraisal review board and to the board of directors of the
11 appraisal district a written report of each change made under this
12 subsection that decreases the tax liability of the owner of the
13 property. The report must include:

- 14 (1) a description of each property; and
15 (2) the name of the owner of that property.

16 Sec. 2.40. AUDITS. The chief administrator shall have the
17 authority to conduct audits of taxpayers to determine whether the
18 taxpayer's good faith estimate of value is a reasonable estimate of
19 the market value of the property. If the chief administrator
20 determines that the good faith estimate of value is not a reasonable
21 estimate of value, the chief administrator may add the additional
22 value to the appraisal roll as omitted property.

23 Sec. 2.41. TAXPAYER CHALLENGES. The comptroller shall
24 adopt rules consistent with Chapter 111, Tax Code, and Section 112,
25 Tax Code, for taxpayer challenges to the imposition of the
26 appraised value of the property by the chief administrator.

27 SECTION 2. (a) A reference in a law other than the Tax Code

1 to an appraisal district means the appraisal office established for
2 a county.

3 (b) A reference in law to the chief appraiser of an
4 appraisal district or to the board or directors of an appraisal
5 district means the chief administrator of an appraisal office.

6 SECTION 3. (a) Chapters 5, 6, 22, 24, 41, 41A, 42 and 43 of
7 the Tax Code are repealed.

8 (b) Subchapters A and B of Chapter 25, Tax Code, are
9 repealed.

10 SECTION 4. (a) This Act takes effect January 1, 2008.

11 (b) On the effective date of this Act:

12 (1) each appraisal district, appraisal district board
13 of directors, and appraisal review board is abolished;

14 (2) all personnel, property, records, and funds of an
15 appraisal district are transferred to the Comptroller of Public
16 Accounts for the benefit of the appraisal office for the county for
17 which the appraisal district was established; and

18 (3) the comptroller is substituted for an appraisal
19 district in any pending action, including a protest or challenge
20 before an appraisal review board or an appeal or other action in a
21 court.

22 (c) On the effective date of this Act, all unpaid debts
23 incurred by an appraisal district become debts of this state.

24 SECTION 5. The comptroller shall have rule making authority
25 for purposes of the effective implementation of this act. The rules
26 shall be consistent with other provisions relating to the
27 administration of taxes by the comptroller.

1 SECTION 6. This Act takes effect on the date on which the
2 constitutional amendment proposed by the 80th Legislature, Regular
3 Session, 2007, authorizing the legislature to allow for ad valorem
4 taxation be administered by the comptroller; relying on
5 self-reports; sales disclosure by taxpayers; abolition of central
6 appraisal districts and all related functions; and requiring a
7 statewide referendum before the legislature may impose a real
8 estate transfer fee or tax, takes effect, if that constitutional
9 amendment is approved by the voters. If that constitutional
10 amendment is not approved by the voters, this Act has no effect.