

BILL ANALYSIS

H.B. 2814
By: Oliveira
Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

On November 6, 2007, Texas voters passed a constitutional amendment authorizing the legislature to exempt from property taxation a passenger car owned by an individual and used in both the individual's occupation or profession and for personal activities that do not involve the production of income. This exemption ensures fairness and uniformity in the application of property tax laws across Texas. H.B. 1022, 80th Legislature, Regular Session, 2007, the enabling legislation, established the exemption in statute.

Many appraisal districts require vehicle owners claiming a mixed-use vehicle exemption to annually file an exemption form because current law does not provide a clear verification regarding the application of the exemption in subsequent years. This creates an inconvenience for both the vehicle owner and the appraisal district. H.B. 2814 applies current law relating to homestead and other property tax exemptions to the mixed use vehicle exemption, requiring vehicle owners to file an exemption form only once. The exemption applies to the vehicle until it changes ownership or the vehicle owner's qualifications for the exemption change.

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

H.B. 2814 amends the Tax Code to establish that an exemption from property taxation of one motor vehicle owned by an individual that is used in the course of the individual's occupation or profession, and is also used for the individual's personal activities not involving the production of income, does not need to be claimed in subsequent years once allowed, and applies to the property until it changes ownership or the person's qualification for the exemption changes. The bill authorizes the chief appraiser, however, to require an individual allowed an exemption in a prior year to file a new application to confirm the individual's current qualification for the exemption. The bill renumbers Section 11.253, Tax Code, relating to the exemption, as Section 11.254, and makes a conforming change.

EFFECTIVE DATE

January 1, 2010.