

AN ACT

relating to the reporting of certain inventories for ad valorem tax purposes; providing penalties.

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

SECTION 1. Section 23.121(k), Tax Code, is amended to read as follows:

(k) In addition to other penalties provided by law, a dealer who fails to file or fails to timely file a declaration required by this section shall forfeit a penalty. A tax lien attaches to the dealer's business personal property to secure payment of the penalty. The appropriate district attorney, criminal district attorney, county attorney, chief appraiser, or person designated by the chief appraiser shall collect the penalty established by this section in the name of the chief appraiser. Venue of an action brought under this subsection is in the county in which the violation occurred or in the county in which the owner maintains the owner's ~~his~~ principal place of business or residence. A penalty forfeited under this subsection is \$1,000 for each month or part of a month in which a declaration is not filed or timely filed after it is due.

SECTION 2. Sections 23.122(b), (e), (f), and (n), Tax Code, are amended to read as follows:

(b) Except for a vehicle sold to a dealer, a vehicle included in a fleet transaction, or a vehicle that is the subject of

1 a subsequent sale, an owner or a person who has agreed by contract  
2 to pay the owner's current year property taxes levied against the  
3 owner's motor vehicle inventory shall assign a unit property tax to  
4 each motor vehicle sold from a dealer's motor vehicle inventory.  
5 The unit property tax of each motor vehicle is determined by  
6 multiplying the sales price of the motor vehicle by the unit  
7 property tax factor. On or before the 10th day of each month the  
8 owner shall, together with the statement filed by the owner as  
9 required [~~provided~~] by this section, deposit with the collector a  
10 sum equal to the total of unit property tax assigned to all motor  
11 vehicles sold from the dealer's motor vehicle inventory in the  
12 prior month to which a unit property tax was assigned. The money  
13 shall be deposited by the collector in or otherwise credited by the  
14 collector to the owner's escrow account for prepayment of property  
15 taxes as provided by this section. An escrow account required by  
16 this section is used to pay property taxes levied against the  
17 dealer's motor vehicle inventory, and the owner shall fund the  
18 escrow account as provided by this subsection.

19 (e) The comptroller shall promulgate a form entitled a  
20 Dealer's Motor Vehicle Inventory Tax Statement. Each month, a [A]  
21 dealer shall complete the form regardless of whether a [~~with~~  
22 ~~respect to each~~] motor vehicle is sold. A dealer may use no other  
23 form for that purpose. The statement may include the information  
24 the comptroller deems appropriate but shall include at least the  
25 following:

- 26 (1) a description of each [~~the~~] motor vehicle sold;  
27 (2) the sales price of the motor vehicle;

1           (3) the unit property tax of the motor vehicle if any;  
2 and

3           (4) the reason no unit property tax is assigned if no  
4 unit property tax is assigned.

5           (f) On or before the 10th day of each month a dealer shall  
6 file with the collector the statement covering the sale of each  
7 motor vehicle sold by the dealer in the prior month. On or before  
8 the 10th day of a month following a month in which a dealer does not  
9 sell a motor vehicle, the dealer must file the statement with the  
10 collector and indicate that no sales were made in the prior month.  
11 A dealer shall file a copy of the statement with the chief appraiser  
12 and retain documentation relating to the disposition of each motor  
13 vehicle sold. A chief appraiser or collector may examine documents  
14 held by a dealer as required by this subsection in the same manner,  
15 and subject to the same provisions, as are set forth in Section  
16 23.121(g) [~~of this code~~].

17           (n) In addition to other penalties provided by law, a dealer  
18 who fails to file or fails to timely file a statement as required by  
19 this section shall forfeit a penalty. A tax lien attaches to the  
20 dealer's business personal property to secure payment of the  
21 penalty. The appropriate district attorney, criminal district  
22 attorney, county attorney, collector, or person designated by the  
23 collector shall collect the penalty established by this section in  
24 the name of the collector. Venue of an action brought under this  
25 subsection is in the county in which the violation occurred or in  
26 the county in which the owner maintains the owner's [~~his~~] principal  
27 place of business or residence. A penalty forfeited under this

1 subsection is \$500 for each month or part of a month in which a  
2 statement is not filed or timely filed after it is due.

3 SECTION 3. Section 23.124(k), Tax Code, is amended to read  
4 as follows:

5 (k) In addition to other penalties provided by law, a dealer  
6 who fails to file or fails to timely file a declaration required by  
7 this section shall forfeit a penalty. A tax lien attaches to the  
8 dealer's business personal property to secure payment of the  
9 penalty. The appropriate district attorney, criminal district  
10 attorney, or county attorney shall collect the penalty established  
11 by this section in the name of the chief appraiser or collector.  
12 Venue of an action brought under this subsection is in the county in  
13 which the violation occurred or in the county in which the owner  
14 maintains the owner's [~~his~~] principal place of business or  
15 residence. A penalty forfeited under this subsection is \$1,000 for  
16 each month or part of a month in which a declaration is not filed or  
17 timely filed after it is due.

18 SECTION 4. Section 23.1241(j), Tax Code, is amended to read  
19 as follows:

20 (j) In addition to other penalties provided by law, a dealer  
21 who fails to file or fails to timely file a declaration required by  
22 Subsection (f) shall forfeit a penalty. A tax lien attaches to the  
23 dealer's business personal property to secure payment of the  
24 penalty. The appropriate district attorney, criminal district  
25 attorney, or county attorney shall collect the penalty established  
26 by this section in the name of the chief appraiser or collector.  
27 Venue of an action brought under this subsection is in the county in

1 which the violation occurred or in the county in which the owner  
2 maintains the owner's principal place of business or residence. A  
3 penalty forfeited under this subsection is \$1,000 for each month or  
4 part of a month in which a declaration is not filed or timely filed  
5 after it is due.

6 SECTION 5. Sections 23.1242(b), (e), (f), and (m), Tax  
7 Code, are amended to read as follows:

8 (b) Except for an item of heavy equipment sold to a dealer,  
9 an item of heavy equipment included in a fleet transaction, or an  
10 item of heavy equipment that is the subject of a subsequent sale, an  
11 owner or a person who has agreed by contract to pay the owner's  
12 current year property taxes levied against the owner's heavy  
13 equipment inventory shall assign a unit property tax to each item of  
14 heavy equipment sold from a dealer's heavy equipment inventory.  
15 The unit property tax of each item of heavy equipment is determined  
16 by multiplying the sales price of the item by the unit property tax  
17 factor. On or before the 10th day of each month the owner shall,  
18 together with the statement filed by the owner as required  
19 [~~provided~~] by this section, deposit with the collector an amount  
20 equal to the total of unit property tax assigned to all items of  
21 heavy equipment sold from the dealer's heavy equipment inventory in  
22 the preceding month to which a unit property tax was assigned. The  
23 money shall be deposited by the collector to the credit of the  
24 owner's escrow account for prepayment of property taxes as provided  
25 by this section. An escrow account required by this section is used  
26 to pay property taxes levied against the dealer's heavy equipment  
27 inventory, and the owner shall fund the escrow account as provided

1 by this subsection.

2 (e) The comptroller by rule shall adopt a dealer's heavy  
3 equipment inventory tax statement form. Each month, a [A] dealer  
4 shall complete the form regardless of whether an [with respect to  
5 ~~each~~] item of heavy equipment is sold. A dealer may use no other  
6 form for that purpose. The statement may include the information  
7 the comptroller considers appropriate but shall include at least  
8 the following:

9 (1) a description of each [~~the~~] item of heavy  
10 equipment sold, including any unique identification or serial  
11 number affixed to the item by the manufacturer;

12 (2) the sales price of the item of heavy equipment;

13 (3) the unit property tax of the item of heavy  
14 equipment, if any; and

15 (4) the reason no unit property tax is assigned if no  
16 unit property tax is assigned.

17 (f) On or before the 10th day of each month, a dealer shall  
18 file with the collector the statement covering the sale of each item  
19 of heavy equipment sold by the dealer in the preceding month. On or  
20 before the 10th day of a month following a month in which a dealer  
21 does not sell an item of heavy equipment, the dealer must file the  
22 statement with the collector and indicate that no sales were made in  
23 the prior month. A dealer shall file a copy of the statement with  
24 the chief appraiser and retain documentation relating to the  
25 disposition of each item of heavy equipment sold. A chief appraiser  
26 or collector may examine documents held by a dealer as provided by  
27 this subsection in the same manner, and subject to the same

1 conditions, as provided by Section 23.1241(g).

2 (m) In addition to other penalties provided by law, a dealer  
3 who fails to file or fails to timely file a statement as required by  
4 this section shall forfeit a penalty. A tax lien attaches to the  
5 owner's business personal property to secure payment of the  
6 penalty. The appropriate district attorney, criminal district  
7 attorney, or county attorney shall collect the penalty established  
8 by this section in the name of the chief appraiser or collector.  
9 Venue of an action brought under this subsection is in the county in  
10 which the violation occurred or in the county in which the owner  
11 maintains the owner's principal place of business or residence. A  
12 penalty forfeited under this subsection is \$500 for each month or  
13 part of a month in which a statement is not filed or timely filed  
14 after it is due.

15 SECTION 6. Sections 23.125(b), (e), (f), and (n), Tax Code,  
16 are amended to read as follows:

17 (b) Except for a vessel or outboard motor sold to a dealer, a  
18 vessel or outboard motor included in a fleet transaction, or a  
19 vessel or outboard motor that is the subject of a subsequent sale,  
20 an owner or a person who has agreed by contract to pay the owner's  
21 current year property taxes levied against the owner's vessel and  
22 outboard motor inventory shall assign a unit property tax to each  
23 vessel and outboard motor sold from a dealer's vessel and outboard  
24 motor inventory. The unit property tax of each vessel or outboard  
25 motor is determined by multiplying the sales price of the vessel or  
26 outboard motor by the unit property tax factor. On or before the  
27 10th day of each month the owner shall, together with the statement

1 filed by the owner as required [~~provided~~] by this section, deposit  
2 with the collector a sum equal to the total of unit property tax  
3 assigned to all vessels and outboard motors sold from the dealer's  
4 vessel and outboard motor inventory in the prior month to which a  
5 unit property tax was assigned. The money shall be deposited by the  
6 collector in or otherwise credited by the collector to the owner's  
7 escrow account for prepayment of property taxes as provided by this  
8 section. An escrow account required by this section is used to pay  
9 property taxes levied against the dealer's vessel and outboard  
10 motor inventory, and the owner shall fund the escrow account as  
11 provided by this subsection.

12 (e) The comptroller shall promulgate a form entitled  
13 "Dealer's Vessel and Outboard Motor Inventory Tax Statement." Each  
14 month, a [A] dealer shall complete the form regardless of whether a  
15 [~~with respect to each~~] vessel and outboard motor is sold. A dealer  
16 may use no other form for that purpose. The statement may include  
17 the information the comptroller deems appropriate but shall include  
18 at least the following:

19 (1) a description of each [~~the~~] vessel or outboard  
20 motor sold;

21 (2) the sales price of the vessel or outboard motor;

22 (3) the unit property tax of the vessel or outboard  
23 motor, if any; and

24 (4) the reason no unit property tax is assigned if no  
25 unit property tax is assigned.

26 (f) On or before the 10th day of each month a dealer shall  
27 file with the collector the statement covering the sale of each



1 vessel or outboard motor sold by the dealer in the prior month. On  
2 or before the 10th day of a month following a month in which a dealer  
3 does not sell a vessel or outboard motor, the dealer must file the  
4 statement with the collector and indicate that no sales were made in  
5 the prior month. A dealer shall file a copy of the statement with  
6 the chief appraiser and retain documentation relating to the  
7 disposition of each vessel and outboard motor sold. A chief  
8 appraiser or collector may examine documents held by a dealer as  
9 provided by this subsection in the same manner, and subject to the  
10 same provisions, as are set forth in Section 23.124(g) [~~of this~~  
11 ~~code~~].

12 (n) In addition to other penalties provided by law, a dealer  
13 who fails to file or fails to timely file a statement as required by  
14 this section shall forfeit a penalty. A tax lien attaches to the  
15 owner's business personal property to secure payment of the  
16 penalty. The appropriate district attorney, criminal district  
17 attorney, or county attorney shall collect the penalty established  
18 by this section in the name of the chief appraiser or collector.  
19 Venue of an action brought under this subsection is in the county in  
20 which the violation occurred or in the county in which the owner  
21 maintains the owner's [~~his~~] principal place of business or  
22 residence. A penalty forfeited under this subsection is \$500 for  
23 each month or part of a month in which a statement is not filed or  
24 timely filed after it is due.

25 SECTION 7. Section 23.127(k), Tax Code, is amended to read  
26 as follows:

27 (k) In addition to other penalties provided by law, a

1 retailer who fails to file or fails to timely file a declaration  
2 required by Subsection (f) is liable for a penalty in the amount of  
3 \$1,000 for each month or part of a month in which a declaration is  
4 not filed or timely filed after it is due. A lien attaches to the  
5 retailer's business personal property to secure payment of the  
6 penalty. The appropriate district attorney, criminal district  
7 attorney, county attorney, chief appraiser, or person designated by  
8 the chief appraiser shall collect the penalty established by this  
9 section in the name of the chief appraiser. Venue of an action  
10 brought under this subsection is in the county in which the  
11 violation occurred or in the county in which the retailer maintains  
12 the retailer's principal place of business or residence.

13 SECTION 8. Sections 23.128(b), (e), (f), and (m), Tax Code,  
14 are amended to read as follows:

15 (b) Except for a unit of manufactured housing sold to a  
16 retailer or a unit of manufactured housing that is the subject of a  
17 subsequent sale, a retailer or a person who has agreed by contract  
18 to pay the retailer's current year property taxes imposed on the  
19 retailer's manufactured housing inventory shall assign a unit  
20 property tax to each unit of manufactured housing sold from a retail  
21 manufactured housing inventory. The unit property tax of each unit  
22 of manufactured housing is determined by multiplying the sales  
23 price of the unit by the unit property tax factor. On or before the  
24 10th day of each month the retailer shall, together with the  
25 statement filed by the retailer as required [~~provided~~] by this  
26 section, deposit with the collector an amount equal to the total of  
27 the unit property tax assigned to all units of manufactured housing

1 sold from the retail manufactured housing inventory in the  
2 preceding month to which a unit property tax was assigned. The  
3 collector shall deposit the money to the credit of the retailer's  
4 escrow account for prepayment of property taxes as provided by this  
5 section. An escrow account required by this section is used to pay  
6 property taxes imposed on the retail manufactured housing  
7 inventory, and the retailer shall fund the escrow account as  
8 provided by this subsection.

9 (e) The comptroller by rule shall adopt a form entitled  
10 "Retail Manufactured Housing Inventory Tax Statement." Each month,  
11 a [A] retailer shall complete the form regardless of whether a [with  
12 ~~respect to each]~~ unit of manufactured housing is sold. A retailer  
13 may not use another form for that purpose. The statement shall  
14 include:

15 (1) a description of the unit of manufactured housing  
16 sold, including any unique identification or serial number affixed  
17 to each [the] unit by the manufacturer;

18 (2) the sales price of the unit of manufactured  
19 housing;

20 (3) any unit property tax of the unit of manufactured  
21 housing;

22 (4) the reason a unit property tax is not assigned if  
23 that is the case; and

24 (5) any other information the comptroller considers  
25 appropriate.

26 (f) On or before the 10th day of each month, a retailer shall  
27 file with the collector the statement covering the sale of each unit

1 of manufactured housing sold by the retailer in the preceding  
2 month. On or before the 10th day of a month following a month in  
3 which a dealer does not sell a unit of manufactured housing, the  
4 dealer must file the statement with the collector and indicate that  
5 no sales were made in the prior month. A retailer shall file a copy  
6 of the statement with the chief appraiser and retain documentation  
7 relating to the disposition of each unit of manufactured housing  
8 sold. A chief appraiser or collector may examine documents held by  
9 a retailer as required by this subsection in the same manner, and  
10 subject to the same conditions, as in Section 23.127(g).

11 (m) In addition to other penalties provided by law, a  
12 retailer who fails to file or fails to timely file a statement as  
13 required by this section is liable for a penalty in the amount of  
14 \$500 for each month or part of a month in which a statement is not  
15 filed after it is due. A tax lien attaches to the retailer's  
16 business personal property to secure payment of the penalty. The  
17 appropriate district attorney, criminal district attorney, county  
18 attorney, collector, or person designated by the collector shall  
19 collect the penalty established by this section in the name of the  
20 collector. Venue of an action brought under this subsection is in  
21 the county in which the violation occurred or in the county in which  
22 the retailer maintains the retailer's principal place of business  
23 or residence.

24 SECTION 9. This Act takes effect September 1, 2009.

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President of the Senate

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Speaker of the House

I certify that H.B. No. 2071 was passed by the House on April 24, 2009, by the following vote: Yeas 132, Nays 0, 1 present, not voting.

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Chief Clerk of the House

I certify that H.B. No. 2071 was passed by the Senate on May 13, 2009, by the following vote: Yeas 31, Nays 0.

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Secretary of the Senate

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

Date

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Governor