

By: Guillen

H.B. No. 3298

A BILL TO BE ENTITLED

AN ACT

relating to the definition of new property value for purposes of the calculation of certain ad valorem tax rates for a county.

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

SECTION 1. Section 26.012(17), Tax Code, is amended to read as follows:

(17) "New property value" means:

(A) the total taxable value of property added to the appraisal roll in the current year by annexation and improvements listed on the appraisal roll that were made after January 1 of the preceding tax year, including personal property located in new improvements that was brought into the unit after January 1 of the preceding tax year;

(B) property value that is included in the current total value for the tax year succeeding a tax year in which any portion of the value of the property was excluded from the total value because of the application of a tax abatement agreement to all or a portion of the property, less the value of the property that was included in the total value for the preceding tax year; ~~and~~

(C) for purposes of an entity created under Section 52, Article III, or Section 59, Article XVI, Texas Constitution, property value that is included in the current total value for the tax year succeeding a tax year in which the following occurs:

- 1 (i) the subdivision of land by plat;
2 (ii) the installation of water, sewer, or
3 drainage lines; or
4 (iii) the paving of undeveloped land; and
5 (D) if approved by the voters in an election held
6 as provided by Section 140.008, Local Government Code, for purposes
7 of a county or a hospital district, the increase in total taxable
8 value of real property interests in oil or gas in place listed on
9 the appraisal roll in the current year attributable to the
10 production of oil or gas from wells completed after January 1 of the
11 preceding year.

12 SECTION 2. Chapter 140, Local Government Code, is amended
13 by adding Section 140.008 to read as follows:

14 Sec. 140.008. ELECTION TO TREAT INCREASE IN TAXABLE VALUE
15 OF OIL AND GAS INTERESTS AS NEW PROPERTY VALUE FOR AD VALOREM TAX
16 RATE CALCULATIONS. (a) In this section, "eligible taxing unit"
17 means a county or a hospital district that is authorized to impose
18 and is imposing ad valorem taxes on property.

19 (b) The governing body of an eligible taxing unit may call
20 an election to determine whether to treat the increase in total
21 taxable value of real property interests in oil and gas in place
22 listed on the appraisal roll in the current year attributable to the
23 production of oil and gas from wells completed after January 1 of
24 the preceding tax year as new property value for the purpose of
25 calculating the effective tax rate of the taxing unit.

26 (c) The governing body of an eligible taxing unit shall call
27 an election described by Subsection (b) if the qualified voters of

1 the taxing unit file a petition requesting the election with the
2 governing body that is signed by a number of qualified voters of the
3 taxing unit that is equal to at least five percent of the number of
4 votes cast in the taxing unit in the most recent gubernatorial
5 election.

6 (d) Not later than the 30th day after the date the governing
7 body receives a petition filed under Subsection (c), the governing
8 body shall determine whether the petition is valid and enter a
9 resolution stating its finding. If the governing body fails to act
10 within the time allowed, the petition is treated as if it had been
11 found valid.

12 (e) If the governing body finds that the petition is valid,
13 or fails to act within the time allowed, the governing body shall
14 order an election to be held in the eligible taxing unit not later
15 than the 90th day after the date on which the governing body
16 received the petition. Section 41.001(a), Election Code, does not
17 apply to an election held under this section.

18 (f) At the election, the ballots shall be printed to permit
19 voting for or against the proposition: "Treating the increase in
20 the taxable value of real property interests in oil and gas in place
21 that is attributable to the production of oil and gas from new wells
22 as new property value for the purpose of calculating the effective
23 tax rate of (name of eligible taxing unit)."

24 (g) If a majority of the votes cast in the election favor the
25 proposition, the proposition is approved and the taxing unit shall
26 calculate its new property value as provided by Section
27 26.012(17)(D), Tax Code, for each tax year that begins after the

1 date the election results are certified.

2 (h) The revenue received by an eligible taxing unit
3 attributable to the calculation of new property value as provided
4 by Section 26.012(17)(D), Tax Code, must be placed in a special
5 account in the general fund of the taxing unit and may be used only
6 for:

7 (1) road construction and repair within the boundaries
8 of the taxing unit

9 SECTION 3. This Act applies to the calculation of certain ad
10 valorem tax rates for a county only for a tax year beginning on or
11 after the effective date of this Act.

12 SECTION 4. This Act takes effect January 1, 2014.