

BILL ANALYSIS

Senate Research Center
86R19436 SMT-F

H.B. 2859
By: Capriglione (Fallon)
Property Tax
5/9/2019
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

H.B. 2859 amends current law relating to the exemption from ad valorem taxation of precious metal held in a precious metal depository located in this state.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter B, Chapter 11, Tax Code, by adding Section 11.141, as follows:

Sec. 11.141. PRECIOUS METAL HELD IN PRECIOUS METAL DEPOSITORY. (a) Defines "precious metal" and "precious metal depository."

(b) Entitles a person to an exemption from taxation of the precious metal that the person owns and that is held in a precious metal depository located in this state, regardless of whether the precious metal is held or used by the person for the production of income.

(c) Prohibits the governing body of a taxing unit, notwithstanding Section 11.14(c) (relating to authorizing the governing body of a taxing unit, by resolution or order, to provide for taxation of certain otherwise exempt tangible personal property that is not held or used for production of income), from providing for the taxation of precious metal exempted from taxation under Subsection (b).

SECTION 2. Amends Section 11.42(b), Tax Code, to provide that an exemption authorized by Section 11.11 (Public Property) or 11.141, rather than authorized by Section 11.11, is effective immediately on qualification for the exemption.

SECTION 3. Amends Section 11.43(a), Tax Code, to provide an additional exemption under Section 11.141 to the requirement that a person claiming an exemption, to receive an exemption, apply for the exemption.

SECTION 4. Provides that Section 11.141, Tax Code, as added by this Act, applies only to a tax year beginning on or after January 1, 2020.

SECTION 5. Effective date: January 1, 2020, contingent upon passage of the constitutional amendment proposed by the 86th Legislature, Regular Session, 2019, authorizing the legislature to exempt from ad valorem taxation precious metal held in a precious metal depository located in this state.