

By: Lambert

H.B. No. 1596

A BILL TO BE ENTITLED

1 AN ACT

2 relating to a local option exemption from ad valorem taxation by a
3 county, municipality, or junior college district of a portion of
4 the appraised value of the income-producing tangible personal
5 property owned by certain veteran-owned businesses during the
6 businesses' initial period of operation in this state.

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

8 SECTION 1. Subchapter B, Chapter 11, Tax Code, is amended by
9 adding Section 11.37 to read as follows:

10 Sec. 11.37. INCOME-PRODUCING PERSONAL PROPERTY OF
11 VETERAN-OWNED BUSINESS. (a) In this section, "qualifying
12 veteran-owned business" means a business:

13 (1) in which each owner is an individual who served in
14 and was honorably discharged from a branch of the United States
15 armed forces; and

16 (2) that first begins doing business in this state on
17 or after January 1, 2020.

18 (b) A qualifying veteran-owned business is entitled to an
19 exemption from taxation by a county, municipality, or junior
20 college district of a portion, expressed as a dollar amount, of the
21 appraised value of the income-producing tangible personal property
22 owned by and used in the operation of the business if:

23 (1) the exemption is sought for a tax year beginning
24 not later than the fifth anniversary of the date on which the

1 qualifying veteran-owned business began operating in this state;
2 and

3 (2) the exemption is adopted by:

4 (A) the governing body of the county,
5 municipality, or junior college district in the manner provided by
6 law for official action by the governing body; or

7 (B) a favorable vote of a majority of the
8 qualified voters of the county, municipality, or junior college
9 district at an election called by the governing body of the county,
10 municipality, or junior college district, as applicable.

11 (c) The governing body of a county, municipality, or junior
12 college district shall call an election described by Subsection
13 (b)(2)(B) on the petition of at least five percent of the number of
14 qualified voters who voted in the most recent election of the
15 county, municipality, or junior college district, as applicable.

16 (d) The amount of an exemption adopted as provided by
17 Subsection (b) is \$30,000 of the appraised value unless a smaller
18 amount is specified by:

19 (1) the governing body authorizing the exemption if
20 the exemption is authorized as provided by Subsection (b)(2)(A); or

21 (2) the petition for the election if the exemption is
22 authorized as provided by Subsection (b)(2)(B).

23 (e) Once authorized, an exemption adopted as provided by
24 Subsection (b) may be repealed or decreased or increased in amount
25 by the governing body of the county, municipality, or junior
26 college district or by the procedure authorized by Subsection
27 (b)(2)(B). In the case of an increase, the amount of the exemption

1 may not be increased to more than \$30,000 of the appraised value.

2 SECTION 2. This Act applies only to ad valorem taxes imposed
3 for a tax year that begins on or after the effective date of this
4 Act.

5 SECTION 3. This Act takes effect January 1, 2020, but only
6 if the constitutional amendment authorizing a local option
7 exemption from ad valorem taxation by a county, municipality, or
8 junior college district of a portion of the market value of the
9 income-producing tangible personal property owned by a
10 veteran-owned business during the business's initial period of
11 operation in this state is approved by the voters. If that
12 amendment is not approved by the voters, this Act has no effect.