

By: Capriglione

H.B. No. 2859

A BILL TO BE ENTITLED

AN ACT

relating to the exemption from ad valorem taxation of precious metal held in a precious metal depository located in this state.

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

SECTION 1. Subchapter B, Chapter 11, Tax Code, is amended by adding Section 11.141 to read as follows:

Sec. 11.141. PRECIOUS METAL HELD IN PRECIOUS METAL DEPOSITORY. (a) For purposes of this section:

(1) "Precious metal" has the meaning assigned by Section 2116.001, Government Code.

(2) "Precious metal depository" means a depository that:

(A) is primarily engaged in the business of providing precious metal storage to the general public; and

(B) maintains sufficient insurance to cover precious metal deposited in the depository.

(b) A person is entitled 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) Notwithstanding Section 11.14(c), the governing body of a taxing unit may not provide for the taxation of precious metal exempted from taxation under Subsection (b).

1 SECTION 2. Section 11.42(b), Tax Code, is amended to read as
2 follows:

3 (b) An exemption authorized by Section 11.11 or 11.141 is
4 effective immediately on qualification for the exemption.

5 SECTION 3. Section 11.43(a), Tax Code, is amended to read as
6 follows:

7 (a) To receive an exemption, a person claiming the
8 exemption, other than an exemption authorized by Section 11.11,
9 11.12, 11.14, 11.141, 11.145, 11.146, 11.15, 11.16, 11.161, or
10 11.25 [~~of this code~~], must apply for the exemption. To apply for an
11 exemption, a person must file an exemption application form with
12 the chief appraiser for each appraisal district in which the
13 property subject to the claimed exemption has situs.

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

16 SECTION 5. This Act takes effect January 1, 2020, but only
17 if the constitutional amendment proposed by the 86th Legislature,
18 Regular Session, 2019, authorizing the legislature to exempt from
19 ad valorem taxation precious metal held in a precious metal
20 depository located in this state is approved by the voters. If that
21 amendment is not approved by the voters, this Act has no effect.