

1-1 By: Capriglione (Senate Sponsor - Fallon) H.B. No. 2859
1-2 (In the Senate - Received from the House May 6, 2019;
1-3 May 6, 2019, read first time and referred to Committee on Property
1-4 Tax; May 17, 2019, reported favorably by the following vote:
1-5 Yeas 5, Nays 0; May 17, 2019, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	<u>Bettencourt</u>	X		
1-9	<u>Paxton</u>	X		
1-10	<u>Creighton</u>	X		
1-11	<u>Hancock</u>	X		
1-12	<u>Hinojosa</u>	X		

1-13 A BILL TO BE ENTITLED
1-14 AN ACT

1-15 relating to the exemption from ad valorem taxation of precious
1-16 metal held in a precious metal depository located in this state.

1-17 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-18 SECTION 1. Subchapter B, Chapter 11, Tax Code, is amended by
1-19 adding Section 11.141 to read as follows:

1-20 Sec. 11.141. PRECIOUS METAL HELD IN PRECIOUS METAL
1-21 DEPOSITORY. (a) For purposes of this section:

1-22 (1) "Precious metal" has the meaning assigned by
1-23 Section 2116.001, Government Code.

1-24 (2) "Precious metal depository" means a depository
1-25 that:

1-26 (A) is primarily engaged in the business of
1-27 providing precious metal storage to the general public; and

1-28 (B) maintains sufficient insurance to cover
1-29 precious metal deposited in the depository.

1-30 (b) A person is entitled to an exemption from taxation of
1-31 the precious metal that the person owns and that is held in a
1-32 precious metal depository located in this state, regardless of
1-33 whether the precious metal is held or used by the person for the
1-34 production of income.

1-35 (c) Notwithstanding Section 11.14(c), the governing body of
1-36 a taxing unit may not provide for the taxation of precious metal
1-37 exempted from taxation under Subsection (b).

1-38 SECTION 2. Section 11.42(b), Tax Code, is amended to read as
1-39 follows:

1-40 (b) An exemption authorized by Section 11.11 or 11.141 is
1-41 effective immediately on qualification for the exemption.

1-42 SECTION 3. Section 11.43(a), Tax Code, is amended to read as
1-43 follows:

1-44 (a) To receive an exemption, a person claiming the
1-45 exemption, other than an exemption authorized by Section 11.11,
1-46 11.12, 11.14, 11.141, 11.145, 11.146, 11.15, 11.16, 11.161, or
1-47 11.25 [of this code], must apply for the exemption. To apply for an
1-48 exemption, a person must file an exemption application form with
1-49 the chief appraiser for each appraisal district in which the
1-50 property subject to the claimed exemption has situs.

1-51 SECTION 4. Section 11.141, Tax Code, as added by this Act,
1-52 applies only to a tax year beginning on or after January 1, 2020.

1-53 SECTION 5. This Act takes effect January 1, 2020, but only
1-54 if the constitutional amendment proposed by the 86th Legislature,
1-55 Regular Session, 2019, authorizing the legislature to exempt from
1-56 ad valorem taxation precious metal held in a precious metal
1-57 depository located in this state is approved by the voters. If that
1-58 amendment is not approved by the voters, this Act has no effect.

1-59 * * * * *