

Amend **CSHB 988** (house committee report) as follows:

(1) Strike page 14, lines 14 through 18, and substitute the following appropriately numbered SECTION to the bill:

SECTION \_\_\_\_\_. (a) Except as provided by Subsection (b) of this section, this Act takes effect January 1, 2022.

(b) Sections 5.103, 5.104, 6.04, 6.052, 41.01, 41.461, and 41.66, Tax Code, as amended by this Act, and Section 41A.015, Tax Code, as added by this Act, take effect immediately if this Act receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, those sections of this Act take effect September 1, 2021.

(2) Add the following appropriately numbered SECTIONS to the bill:

SECTION \_\_\_\_\_. Section 11.253(a)(2), Tax Code, is amended to read as follows:

(2) "Goods-in-transit" means tangible personal property that:

(A) is acquired in or imported into this state to be forwarded to another location in this state or outside this state;

(B) is stored under a contract of bailment by a public warehouse operator at one or more public warehouse facilities in this state that are not in any way owned or controlled by the owner of the personal property for the account of the person who acquired or imported the property;

(C) is transported to another location in this state or outside this state not later than 175 days, or, if applicable, the greater number of days adopted by the taxing unit as authorized by Subsection (1), after the date the person acquired the property in or imported the property into this state; and

(D) does not include oil, natural gas, petroleum products, aircraft, dealer's motor vehicle inventory, dealer's vessel and outboard motor inventory, dealer's heavy equipment inventory, or retail manufactured housing inventory.

SECTION \_\_\_\_\_. Section 11.253, Tax Code, is amended by amending Subsections (e) and (g) and adding Subsection (1) to read

as follows:

(e) In determining the market value of goods-in-transit that in the preceding year were stored in this state, the chief appraiser shall exclude the cost of equipment, machinery, or materials that entered into and became component parts of the goods-in-transit but were not themselves goods-in-transit or that were not transported to another location in this state or outside this state before the expiration of 175 days, or, if applicable, the greater number of days adopted by the taxing unit as authorized by Subsection (1), after the date they were brought into this state by the property owner or acquired by the property owner in this state. For component parts held in bulk, the chief appraiser may use the average length of time a component part was held by the owner of the component parts during the preceding year at a location in this state that was not owned by or under the control of the owner of the component parts in determining whether the component parts were transported to another location in this state or outside this state before the expiration of 175 days, or, if applicable, the greater number of days adopted by the taxing unit as authorized by Subsection (1).

(g) If the property owner or the chief appraiser demonstrates that the method provided by Subsection (d) significantly understates or overstates the market value of the property qualified for an exemption under Subsection (b) in the current year, the chief appraiser shall determine the market value of the goods-in-transit to be exempt by determining, according to the property owner's records and any other available information, the market value of those goods-in-transit owned by the property owner on January 1 of the current year, excluding the cost of equipment, machinery, or materials that entered into and became component parts of the goods-in-transit but were not themselves goods-in-transit or that were not transported to another location in this state or outside this state before the expiration of 175 days, or, if applicable, the greater number of days adopted by the taxing unit as authorized by Subsection (1), after the date they were brought into this state by the property owner or acquired by the property owner in this state.

(1) This subsection applies only to a taxing unit any part of which is located in an area designated a disaster area by a disaster declaration issued under Section 418.014 or 418.108, Government Code, that has not expired or otherwise been terminated. The governing body of a taxing unit, in the manner provided by law for official action, may extend the date by which goods-in-transit must be transported to another location in this state or outside this state to a date not later than the 270th day after the date the person acquired the property in or imported the property into this state. An extension adopted by official action under this subsection applies only to:

(1) the exemption from ad valorem taxation by the taxing unit adopting the extension; and

(2) the tax year in which the extension is adopted.

SECTION \_\_\_\_\_. Section 23.55, Tax Code, is amended by adding Subsections (e-1) and (r) to read as follows:

(e-1) A property owner may request in writing that the chief appraiser determine whether a change of use of the property owner's land has occurred. The request must state the manner in which the property owner is currently using the land. Not later than the 90th day after the date the chief appraiser receives the request, the chief appraiser shall provide the property owner with a written determination that includes a description of the current use of the land and a statement as to whether the current use of the land has resulted in a change of use of the land. If the chief appraiser determines that a change of use of the land has not occurred, the chief appraiser may not later determine that a change of use of the land has occurred on the basis of the use described in the written determination.

(r) The sanctions provided by Subsection (a) do not apply to a change in the use of land if, after the change in use, the physical characteristics of the land remain consistent with the physical characteristics of the land during the period for which the land was eligible for appraisal under this subchapter.

SECTION \_\_\_\_\_. Section 25.02, Tax Code, is amended by adding Subsections (c), (d), (e), and (f) to read as follows:

(c) Each appraisal record must have a unique account number.

If an appraisal district changes the account number of an appraisal record, the appraisal district must provide written notice of the change to the property owner as soon as practicable after the change and provide notice of the change in the next notice of appraised value of the property included in the record that is delivered to the property owner under Section 25.19.

(d) This subsection does not apply to an appraisal record for a residential property, for an improvement only, or for a property on which a delinquent tax is due. On the written request of a property owner, the chief appraiser shall combine contiguous parcels or tracts of the owner's real property into a single appraisal record. On the written request of a property owner, the chief appraiser shall separate identifiable segments of the owner's parcel or tract of real property into individual appraisal records.

(e) A property owner must make a request under Subsection (d) before January 1 of the tax year for which the requested change to the appraisal records is to be made. The request must contain a legal description as contained in a deed sufficient to describe the property subject to the request.

(f) If a chief appraiser refuses to combine parcels or tracts, or separate a parcel or tract, on request of a property owner under Subsection (d), the appraisal review board may order the requested change on a motion filed by the property owner under Section 25.25 or a protest filed under Chapter 41.

SECTION \_\_\_\_\_. Section 25.19, Tax Code, is amended by adding Subsections (m) and (n) to read as follows:

(m) The chief appraiser may not deliver a corrected or amended notice of appraised value later than June 1 for property for which a person files a rendition statement or property report as required by Chapter 22 unless the purpose of the notice is to:

- (1) include omitted property; or
- (2) correct a clerical error.

(n) As soon as practicable after delivering a notice required by this section to a property owner, the chief appraiser shall post the notice on the appraisal district's Internet website, if the appraisal district maintains a website, as part of the appraisal record pertaining to the property.

SECTION \_\_\_\_\_. Section 31.11(h), Tax Code, is amended to read as follows:

(h) This section does not apply to an overpayment caused by a change of exemption status or correction of a tax roll, including an overpayment received after a correction of a tax roll as a result of an appeal under Chapter 42. Such an overpayment is covered by Section 26.15 or 42.43, as applicable.

SECTION \_\_\_\_\_. Section 41.44(d), Tax Code, is amended to read as follows:

(d) A notice of protest is sufficient if it identifies the protesting property owner, including a person claiming an ownership interest in the property even if that person is not listed on the appraisal records as an owner of the property, identifies the property that is the subject of the protest, and indicates apparent dissatisfaction with some determination of the appraisal office. The notice need not be on an official form, but the comptroller shall prescribe a form that provides for more detail about the nature of the protest. The form must permit a property owner to include each property in the appraisal district that is the subject of a protest. The form must permit a property owner to request that the protest be heard by a special panel established under Section 6.425 if the protest will be determined by an appraisal review board to which that section applies and the property is included in a classification described by Section 6.425(b). The form must permit a property owner to request that the protest be heard by a single-member panel authorized by Section 41.45(b-4). The comptroller, each appraisal office, and each appraisal review board shall make the forms readily available and deliver one to a property owner on request.

SECTION \_\_\_\_\_. Section 41.45, Tax Code, is amended by adding Subsections (b-4) and (b-5) and amending Subsections (d), (d-2), and (d-3) to read as follows:

(b-4) An appraisal review board shall sit in a single-member panel to conduct a protest hearing under this section if the property owner requests that the hearing be conducted by a single-member panel:

(1) in the notice of protest; or

(2) in writing submitted to the board not later than the 10th day before the date of the hearing.

(b-5) If the recommendation of a single-member panel that conducts a hearing under Subsection (b-4) is not accepted by the appraisal review board, the board may refer the matter for rehearing to a single-member panel composed of a member who did not hear the original protest or the board may determine the protest.

(d) This subsection does not apply to a single-member panel established under Subsection (b-4) of this section or a special panel established under Section 6.425. An appraisal review board consisting of more than three members may sit in panels of not fewer than three members to conduct protest hearings. If the recommendation of a panel is not accepted by the board, the board may refer the matter for rehearing to a panel composed of members who did not hear the original protest or, if there are not at least three members who did not hear the original protest, the board may determine the protest.

(d-2) The determination of a protest heard by a panel under Subsection (b-4), (d), or (d-1) must be made by the board.

(d-3) The board must deliver notice of a hearing or meeting to determine a protest heard by a panel, or to rehear a protest, under Subsection (b-4), (d), or (d-1) in accordance with the provisions of this subchapter.

SECTION \_\_\_\_\_. Section 41.47, Tax Code, is amended by amending Subsection (c) and adding Subsection (d-1) to read as follows:

(c) If the protest is of the determination of the appraised value of the owner's property, the appraisal review board must state in the order the appraised value of the property, listed separately in the case of real property as the appraised value of the land and the appraised value of any improvement to the land as allocated by the chief appraiser:

(1) as shown in the appraisal records submitted to the board by the chief appraiser under Section 25.22 or 25.23; and

(2) as finally determined by the board.

(d-1) This subsection applies only to an appraisal district established in a county with a population of 120,000 or more. The

requirements of this subsection are in addition to the requirements of Subsection (d). On written request submitted to the chief appraiser, the chief appraiser shall deliver by e-mail, in the manner provided by this subsection, a copy of the notice of issuance of the order and a copy of the order required by Subsection (d) if the property subject to the order is not the subject of an agreement under Section 1.085. A request under this subsection may be submitted only by the property owner whose property is subject to the protest for which the order is issued, an attorney representing the property owner, or an individual designated by the property owner under Section 1.111. A person may include in a single request more than one property owned by the same property owner or multiple properties owned by multiple property owners. A person may submit more than one request. A person submitting a request must indicate in the request that the chief appraiser must make the delivery to the property owner, an attorney representing the property owner, an individual designated by the property owner under Section 1.111, or a combination of those persons. A person must submit a request before the protest hearing relating to each property included in the request. The chief appraiser shall deliver, as provided by this subsection, a copy of the notice of issuance of the order and a copy of the order required by Subsection (d) not later than the 21st day after the date the appraisal review board issues the order.

SECTION \_\_\_\_\_. Section 42.01, Tax Code, is amended by adding Subsection (a-1) to read as follows:

(a-1) A property owner may not appeal separately the portion of an order of an appraisal review board determining the appraised value of land or the portion of the order determining the appraised value of an improvement to the land if the order determined the appraised value of both.

SECTION \_\_\_\_\_. Section 42.015(a), Tax Code, is amended to read as follows:

(a) A person leasing property who is contractually obligated to reimburse the property owner for taxes imposed on the property is entitled to appeal an order of the appraisal review board determining a protest relating to the property:

(1) brought by the person under Section 41.413; or

(2) brought by the property owner if the property owner does not appeal the order.

SECTION \_\_\_\_\_. Section 42.23(e), Tax Code, is amended to read as follows:

(e) For purposes of Subsection (d), a property owner may designate a cause of action under Section 42.25 or 42.26 as the basis for an appeal, but may not designate a cause of action under both sections as the basis for the appeal. Discovery regarding a cause of action that is not specifically designated by the property owner under Subsection (d) shall be conducted as provided by the Texas Rules of Civil Procedure. A [The] court may not enter an order, including a protective order ~~[to modify the provisions of this subsection]~~ under Rule 192.6 of the Texas Rules of Civil Procedure, that conflicts with Subsection (d).

SECTION \_\_\_\_\_. Section 11.253, Tax Code, as amended by this Act, applies only to a tax year beginning on or after January 1, 2022.

SECTION \_\_\_\_\_. Section 25.19, Tax Code, as amended by this Act, applies only to a notice of appraised value for a tax year beginning on or after January 1, 2022.

SECTION \_\_\_\_\_. Sections 41.45 and 41.47, Tax Code, as amended by this Act, apply only to a protest under Chapter 41, Tax Code, for which a notice of protest is filed on or after January 1, 2022.

SECTION \_\_\_\_\_. Sections 42.01, 42.015, and 42.23, Tax Code, as amended by this Act, apply only to an appeal under Chapter 42, Tax Code, that is filed on or after January 1, 2022.

(3) Renumber SECTIONS of the bill as appropriate.