

By: Middleton

S.B. No. 1789

A BILL TO BE ENTITLED

AN ACT

relating to the exemption of tangible personal property from ad valorem taxation; making conforming changes.

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

SECTION 1. Section 6.24(b), Tax Code, is amended to read as follows:

(b) The commissioners court with the approval of the county assessor-collector may contract as provided by the Interlocal Cooperation Act with the governing body of another taxing unit in the county or with the board of directors of the appraisal district for the other taxing unit or the district to perform duties relating to the assessment or collection of taxes for the county. If a county contracts to have its taxes assessed and collected by another taxing unit or by the appraisal district, ~~[except as provided by Subsection (c),]~~ the contract shall require the other taxing unit or the district to assess and collect all taxes the county is required to assess and collect.

SECTION 2. The heading to Section 11.01, Tax Code, is amended to read as follows:

Sec. 11.01. REAL ~~[AND TANGIBLE PERSONAL]~~ PROPERTY.

SECTION 3. Section 11.01(a), Tax Code, is amended to read as follows:

(a) All real ~~[and tangible personal]~~ property that this state has jurisdiction to tax is taxable unless exempt by law.

1 SECTION 4. Subchapter A, Chapter 11, Tax Code, is amended by
2 adding Section 11.015 to read as follows:

3 Sec. 11.015. TANGIBLE PERSONAL PROPERTY. (a) Tangible
4 personal property is not taxable for a tax year that begins on or
5 after January 1, 2024.

6 (b) On and after January 1, 2024, a provision of this code or
7 another law that would otherwise apply to the taxation of tangible
8 personal property for a tax year that begins on or after that date
9 has no effect for that tax year.

10 SECTION 5. Section 11.18(a), Tax Code, is amended to read as
11 follows:

12 (a) An organization that qualifies as a charitable
13 organization as provided by this section is entitled to an
14 exemption from taxation of:

15 (1) the buildings [~~and tangible personal property~~]
16 that:

17 (A) are owned by the charitable organization; and

18 (B) except as permitted by Subsection (b), are
19 used exclusively by qualified charitable organizations; and

20 (2) the real property owned by the charitable
21 organization consisting of:

22 (A) an incomplete improvement that:

23 (i) is under active construction or other
24 physical preparation; and

25 (ii) is designed and intended to be used
26 exclusively by qualified charitable organizations; and

27 (B) the land on which the incomplete improvement

1 is located that will be reasonably necessary for the use of the
2 improvement by qualified charitable organizations.

3 SECTION 6. Section 11.181(c), Tax Code, is amended to read
4 as follows:

5 (c) An organization entitled to an exemption under
6 Subsection (a) is also entitled to an exemption from taxation of any
7 building [~~or tangible personal property~~] the organization owns and
8 uses in the administration of its acquisition, building, repair, or
9 sale of property. To qualify for an exemption under this
10 subsection, property must be used exclusively by the charitable
11 organization, except that another individual or organization may
12 use the property for activities incidental to the charitable
13 organization's use that benefit the beneficiaries of the charitable
14 organization.

15 SECTION 7. Section 11.182(f), Tax Code, is amended to read
16 as follows:

17 (f) An organization entitled to an exemption under
18 Subsection (b) is also entitled to an exemption from taxation of any
19 building [~~or tangible personal property~~] the organization owns and
20 uses in the administration of its acquisition, building, repair,
21 sale, or rental of property. To qualify for an exemption under this
22 subsection, property must be used exclusively by the organization,
23 except that another person may use the property for activities
24 incidental to the organization's use that benefit the beneficiaries
25 of the organization.

26 SECTION 8. Section 11.1827(d), Tax Code, is amended to read
27 as follows:

1 (d) A community land trust entitled to an exemption from
2 taxation by a taxing unit under Subsection (b) is also entitled to
3 an exemption from taxation by the taxing unit of any real [~~or~~
4 ~~tangible personal~~] property the trust owns and uses in the
5 administration of its acquisition, construction, repair, sale, or
6 leasing of property. To qualify for an exemption under this
7 subsection, property must be used exclusively by the trust, except
8 that another person may use the property for activities incidental
9 to the trust's use that benefit the beneficiaries of the trust.

10 SECTION 9. Section 11.184(c), Tax Code, is amended to read
11 as follows:

12 (c) A qualified charitable organization is entitled to an
13 exemption from taxation of:

14 (1) the buildings and other real property [~~and the~~
15 ~~tangible personal property~~] that:

16 (A) are owned by the organization; and

17 (B) except as permitted by Subsection (d), are
18 used exclusively by the organization and other organizations
19 eligible for an exemption from taxation under this section or
20 Section 11.18; and

21 (2) the real property owned by the organization
22 consisting of:

23 (A) an incomplete improvement that:

24 (i) is under active construction or other
25 physical preparation; and

26 (ii) is designed and intended to be used
27 exclusively by the organization and other organizations eligible

1 for an exemption from taxation under this section or Section 11.18;
2 and

3 (B) the land on which the incomplete improvement
4 is located that will be reasonably necessary for the use of the
5 improvement by the organization and other organizations eligible
6 for an exemption from taxation under this section or Section 11.18.

7 SECTION 10. Section 11.185(c), Tax Code, is amended to read
8 as follows:

9 (c) An organization entitled to an exemption under
10 Subsection (a) is also entitled to an exemption from taxation of any
11 building [~~or tangible personal property~~] the organization owns and
12 uses in the administration of its acquisition, building, repair, or
13 sale of property. To qualify for an exemption under this
14 subsection, property must be used exclusively by the charitable
15 organization, except that another individual or organization may
16 use the property for activities incidental to the charitable
17 organization's use that benefit the beneficiaries of the charitable
18 organization.

19 SECTION 11. Sections 11.20(a), (d), (f), (g), (h), (j), and
20 (k), Tax Code, are amended to read as follows:

21 (a) An organization that qualifies as a religious
22 organization as provided by Subsection (c) is entitled to an
23 exemption from taxation of:

24 (1) the real property that is owned by the religious
25 organization, is used primarily as a place of regular religious
26 worship, and is reasonably necessary for engaging in religious
27 worship;

1 (2) ~~[the tangible personal property that is owned by~~
2 ~~the religious organization and is reasonably necessary for engaging~~
3 ~~in worship at the place of worship specified in Subdivision (1),~~

4 ~~(3)]~~ the real property that is owned by the religious
5 organization and is reasonably necessary for use as a residence
6 (but not more than one acre of land for each residence) if the
7 property:

8 (A) is used exclusively as a residence for those
9 individuals whose principal occupation is to serve in the clergy of
10 the religious organization; and

11 (B) produces no revenue for the religious
12 organization;

13 (3) ~~[(4) the tangible personal property that is owned~~
14 ~~by the religious organization and is reasonably necessary for use~~
15 ~~of the residence specified by Subdivision (3),~~

16 ~~(5)]~~ the real property owned by the religious
17 organization consisting of:

18 (A) an incomplete improvement that is under
19 active construction or other physical preparation and that is
20 designed and intended to be used by the religious organization as a
21 place of regular religious worship when complete; and

22 (B) the land on which the incomplete improvement
23 is located that will be reasonably necessary for the religious
24 organization's use of the improvement as a place of regular
25 religious worship;

26 (4) ~~[(6)]~~ the land that the religious organization
27 owns for the purpose of expansion of the religious organization's

1 place of regular religious worship or construction of a new place of
2 regular religious worship if:

3 (A) the religious organization qualifies other
4 property, including a portion of the same tract or parcel of land,
5 owned by the organization for an exemption under Subdivision (1) or
6 (3) [~~(5)~~]; and

7 (B) the land produces no revenue for the
8 religious organization; and

9 (5) [~~(7)~~] the real property owned by the religious
10 organization that is leased to another person and used by that
11 person for the operation of a school that qualifies as a school
12 under Section 11.21(d).

13 (d) Use of property that qualifies for the exemption
14 prescribed by Subsection (a)(1) or [~~(2) or by Subsection~~] (h)(1)
15 for occasional secular purposes other than religious worship does
16 not result in loss of the exemption if the primary use of the
17 property is for religious worship and all income from the other use
18 is devoted exclusively to the maintenance and development of the
19 property as a place of religious worship.

20 (f) A property may not be exempted under Subsection (a)(3)
21 [~~(a)(5)~~] for more than three years.

22 (g) For purposes of Subsection (a)(3) [~~(a)(5)~~], an
23 incomplete improvement is under physical preparation if the
24 religious organization has engaged in architectural or engineering
25 work, soil testing, land clearing activities, or site improvement
26 work necessary for the construction of the improvement or has
27 conducted an environmental or land use study relating to the

1 construction of the improvement.

2 (h) Property owned by this state or a political subdivision
3 of this state, including a leasehold or other possessory interest
4 in the property, that is held or occupied by an organization that
5 qualifies as a religious organization as provided by Subsection (c)
6 is entitled to an exemption from taxation if the property:

7 (1) is used by the organization primarily as a place of
8 regular religious worship and is reasonably necessary for engaging
9 in religious worship; or

10 (2) meets the qualifications for an exemption under
11 Subsection (a)(3) [~~(a)(5)~~].

12 (j) A tract of land that is contiguous to the tract of land
13 on which the religious organization's place of regular religious
14 worship is located may not be exempted under Subsection (a)(4)
15 [~~(a)(6)~~] for more than 10 years. A tract of land that is not
16 contiguous to the tract of land on which the religious
17 organization's place of regular religious worship is located may
18 not be exempted under Subsection (a)(4) [~~(a)(6)~~] for more than
19 three years. For purposes of this subsection, a tract of land is
20 considered to be contiguous with another tract of land if the tracts
21 are divided only by a road, railroad track, river, or stream.

22 (k) For purposes of Subsection (a)(4) [~~(a)(6)~~], an
23 application or statement accompanying an application for the
24 exemption stating that the land is owned for the purposes described
25 by Subsection (a)(4) [~~(a)(6)~~] and signed by an authorized officer
26 of the organization is sufficient to establish that the land is
27 owned for those purposes.

1 SECTION 12. Sections 11.201(a) and (c), Tax Code, are
2 amended to read as follows:

3 (a) If land is sold or otherwise transferred to another
4 person in a year in which the land receives an exemption under
5 Section 11.20(a)(4) [~~11.20(a)(6)~~], an additional tax is imposed on
6 the land equal to the tax that would have been imposed on the land
7 had the land been taxed for each of the five years preceding the
8 year in which the sale or transfer occurs in which the land received
9 an exemption under that subsection, plus interest at an annual rate
10 of seven percent calculated from the dates on which the taxes would
11 have become due.

12 (c) If only part of a parcel of land that is exempted under
13 Section 11.20(a)(4) [~~11.20(a)(6)~~] is sold or transferred, the tax
14 applies only to that part of the parcel and equals the taxes that
15 would have been imposed had that part been taxed.

16 SECTION 13. Sections 11.21(a), (b), and (f), Tax Code, are
17 amended to read as follows:

18 (a) A person is entitled to an exemption from taxation of:

19 (1) the buildings [~~and tangible personal property~~]
20 that the person owns and that are used for a school that is
21 qualified as provided by Subsection (d) if:

22 (A) the school is operated exclusively by the
23 person owning the property;

24 (B) except as permitted by Subsection (b), the
25 buildings [~~and tangible personal property~~] are used exclusively for
26 educational functions; and

27 (C) the buildings [~~and tangible personal~~

1 ~~property]~~ are reasonably necessary for the operation of the school;
2 and

3 (2) the real property owned by the person consisting
4 of:

5 (A) an incomplete improvement that:

6 (i) is under active construction or other
7 physical preparation; and

8 (ii) is designed and intended to be used for
9 a school that is qualified as provided by Subsection (d); and

10 (B) the land on which the incomplete improvement
11 is located that will be reasonably necessary for the use of the
12 improvement for a school that is qualified as provided by
13 Subsection (d).

14 (b) Use of exempt ~~[tangible]~~ property for functions other
15 than educational functions does not result in loss of an exemption
16 authorized by this section if those other functions are incidental
17 to use of the property for educational functions and benefit the
18 students or faculty of the school.

19 (f) Notwithstanding Subsection (a), a person is entitled to
20 an exemption from taxation of the buildings ~~[and tangible personal~~
21 ~~property]~~ the person acquires for use for a school that meets each
22 requirement of Subsection (d) if:

23 (1) the person authorizes the former owner to continue
24 to use the property pending the use of the property for a school;
25 and

26 (2) the former owner would be entitled to an exemption
27 from taxation of the property if the former owner continued to own

1 the property.

2 SECTION 14. Section 11.23(m), Tax Code, is amended to read
3 as follows:

4 (m) National Hispanic Institute. The National Hispanic
5 Institute is entitled to an exemption from taxation of the real [~~and~~
6 ~~tangible personal~~] property it owns as long as the organization is
7 exempt from federal income taxation under Section 501(a), Internal
8 Revenue Code of 1986, as an organization described by Section
9 501(c)(3) of that code.

10 SECTION 15. Section 11.231(b), Tax Code, is amended to read
11 as follows:

12 (b) An association that qualifies as a nonprofit community
13 business organization as provided by this section is entitled to an
14 exemption from taxation of:

15 (1) the buildings [~~and tangible personal property~~]
16 that:

17 (A) are owned by the nonprofit community business
18 organization; and

19 (B) except as permitted by Subsection (c), are
20 used exclusively by qualified nonprofit community business
21 organizations to perform their primary functions; and

22 (2) the real property owned by the nonprofit community
23 business organization consisting of:

24 (A) an incomplete improvement that:

25 (i) is under active construction or other
26 physical preparation; and

27 (ii) is designed and intended to be used

1 exclusively by qualified nonprofit community business
2 organizations; and

3 (B) the land on which the incomplete improvement
4 is located that will be reasonably necessary for the use of the
5 improvement by qualified nonprofit community business
6 organizations.

7 SECTION 16. Section 11.35(a)(2), Tax Code, is amended to
8 read as follows:

9 (2) "Qualified property" means property that:

10 (A) consists of:

11 (i) ~~[tangible personal property used for~~
12 ~~the production of income;~~

13 ~~[(ii)]~~ an improvement to real property; or

14 (ii) ~~[(iii)]~~ a manufactured home as that
15 term is defined by Section 1201.003, Occupations Code, that is used
16 as a dwelling, regardless of whether the owner of the manufactured
17 home elects to treat the manufactured home as real property under
18 Section 1201.2055, Occupations Code;

19 (B) is located in an area declared by the
20 governor to be a disaster area following a disaster; and

21 (C) is at least 15 percent damaged by the
22 disaster, as determined by the chief appraiser under this section~~+~~
23 ~~and~~

24 ~~[(D) for property described by Paragraph (A)(i),~~
25 ~~is the subject of a rendition statement or property report filed by~~
26 ~~the property owner under Section 22.01 that demonstrates that the~~
27 ~~property had taxable situs in the disaster area for the tax year in~~

1 ~~which the disaster occurred~~].

2 SECTION 17. Section 11.35(g), Tax Code, is amended to read
3 as follows:

4 (g) The chief appraiser shall assign to an item of qualified
5 property:

6 (1) a Level I damage assessment rating if the property
7 is at least 15 percent, but less than 30 percent, damaged, meaning
8 that the property suffered minimal damage and may continue to be
9 used as intended;

10 (2) a Level II damage assessment rating if the
11 property is at least 30 percent, but less than 60 percent, damaged,
12 meaning [~~which, for qualified property described by Subsection~~
13 ~~(a)(2)(A)(ii) or (iii), means~~] that the property has suffered only
14 nonstructural damage, including nonstructural damage to the roof,
15 walls, foundation, or mechanical components, and the waterline, if
16 any, is less than 18 inches above the floor;

17 (3) a Level III damage assessment rating if the
18 property is at least 60 percent damaged but is not a total loss,
19 meaning [~~which, for qualified property described by Subsection~~
20 ~~(a)(2)(A)(ii) or (iii), means~~] that the property has suffered
21 significant structural damage requiring extensive repair due to the
22 failure or partial failure of structural elements, wall elements,
23 or the foundation, or the waterline is at least 18 inches above the
24 floor; or

25 (4) a Level IV damage assessment rating if the
26 property is a total loss, meaning that repair of the property is not
27 feasible.

1 SECTION 18. Section 11.42(b), Tax Code, is amended to read
2 as follows:

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

5 SECTION 19. Sections 11.43(a), (b), (c), and (e), Tax Code,
6 are amended to read as 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, or [~~11.14, 11.141, 11.145,~~] 11.146[~~, 11.15, 11.16, 11.161,~~
10 ~~or 11.25~~], must apply for the exemption. To apply for an exemption,
11 a person must file an exemption application form with the chief
12 appraiser for each appraisal district in which the property subject
13 to the claimed exemption has situs.

14 (b) Except as provided by Subsection (c) and by Section
15 [~~Sections~~] 11.184 [~~and 11.437~~], a person required to apply for an
16 exemption must apply each year the person claims entitlement to the
17 exemption.

18 (c) An exemption provided by Section 11.13, 11.131, 11.132,
19 11.133, 11.134, 11.17, 11.18, 11.182, 11.1827, 11.183, 11.19,
20 11.20, 11.21, 11.22, 11.23(a), (h), (j), (j-1), or (m), 11.231,
21 [~~11.254~~], 11.27, [~~11.271,~~] 11.29, 11.30, 11.31, [~~11.315,~~] or 11.35,
22 once allowed, need not be claimed in subsequent years, and except as
23 otherwise provided by Subsection (e), the exemption applies to the
24 property until it changes ownership or the person's qualification
25 for the exemption changes. However, except as provided by
26 Subsection (r), the chief appraiser may require a person allowed
27 one of the exemptions in a prior year to file a new application to

1 confirm the person's current qualification for the exemption by
2 delivering a written notice that a new application is required,
3 accompanied by an appropriate application form, to the person
4 previously allowed the exemption. If the person previously allowed
5 the exemption is 65 years of age or older, the chief appraiser may
6 not cancel the exemption due to the person's failure to file the new
7 application unless the chief appraiser complies with the
8 requirements of Subsection (q), if applicable.

9 (e) Except as provided by Section 11.422, 11.431, 11.433,
10 11.434, 11.435, or 11.439, [~~or 11.4391,~~] if a person required to
11 apply for an exemption in a given year fails to file timely a
12 completed application form, the person may not receive the
13 exemption for that year.

14 SECTION 20. Section 21.06(a), Tax Code, is amended to read
15 as follows:

16 (a) Except as provided by Section 21.08 [~~Sections 21.07~~
17 ~~through 21.09 of this code~~], intangible property is taxable by a
18 taxing unit if the owner of the property resides in the taxing unit
19 on January 1, unless the property normally is used in this state for
20 business purposes outside the taxing unit. In that event, the
21 intangible property is taxable by each taxing unit in which the
22 property normally is used for business purposes.

23 SECTION 21. Sections 22.01(a), (b), (c), (c-2), (f), and
24 (g), Tax Code, are amended to read as follows:

25 (a) [~~Except as provided by Chapter 24, a person shall render~~
26 ~~for taxation all tangible personal property used for the production~~
27 ~~of income that the person owns or that the person manages and~~

1 ~~controls as a fiduciary on January 1.]~~ A rendition statement shall
2 contain:

- 3 (1) the name and address of the property owner;
- 4 (2) a description of the property by type or category;
- 5 (3) ~~[if the property is inventory, a description of~~
6 ~~each type of inventory and a general estimate of the quantity of~~
7 ~~each type of inventory,~~

8 ~~[(4)]~~ the physical location or taxable situs of the
9 property; and

10 (4) ~~[(5)]~~ the property owner's good faith estimate of
11 the market value of the property or, at the option of the property
12 owner, the historical cost when new and the year of acquisition of
13 the property.

14 (b) When required by the chief appraiser, a person shall
15 render for taxation any ~~[other]~~ taxable property that the person
16 ~~[he]~~ owns or that the person ~~[he]~~ manages and controls as a
17 fiduciary on January 1.

18 (c) A person may render for taxation any property that the
19 person ~~[he]~~ owns or that the person ~~[he]~~ manages and controls as a
20 fiduciary on January 1, although the person ~~[he]~~ is not required to
21 render it by Subsection ~~[(a) or] (b) [of this section]~~.

22 (c-2) With the consent of the property owner, a secured
23 party may render for taxation any property of the property owner in
24 which the secured party has a security interest on January 1,
25 although the secured party is not required to render the property by
26 Subsection ~~[(a) or] (b)~~. This subsection applies only to property
27 that has a historical cost when new of more than \$50,000.

1 (f) Notwithstanding Subsection [~~Subsections~~] (a) [~~and (b)~~],
2 a rendition statement of a person who owns [~~tangible personal~~]
3 property [~~used for the production of income~~] located in the
4 appraisal district that, in the owner's opinion, has an aggregate
5 value of less than \$20,000 is required to contain only:

6 (1) the name and address of the property owner;

7 (2) a general description of the property by type or
8 category; and

9 (3) the physical location or taxable situs of the
10 property.

11 (g) A person's good faith estimate of the market value of
12 the property under Subsection (a)(4) [~~(a)(5)~~] is solely for the
13 purpose of compliance with any [~~the~~] requirement to render
14 [~~tangible personal~~] property and is inadmissible in any subsequent
15 protest, hearing, appeal, suit, or other proceeding under this
16 title involving the property, except for:

17 (1) a proceeding to determine whether the person
18 complied with this section;

19 (2) a proceeding under Section [22.29\(b\)](#); or

20 (3) a protest under Section [41.41](#).

21 SECTION 22. Section [22.02](#), Tax Code, is amended to read as
22 follows:

23 Sec. 22.02. RENDITION OF PROPERTY LOSING EXEMPTION DURING
24 TAX YEAR [~~OR FOR WHICH EXEMPTION APPLICATION IS DENIED~~]. [~~(a)~~] If
25 an exemption applicable to a property on January 1 terminates
26 during the tax year, the person who owns or acquires the property on
27 the date applicability of the exemption terminates shall render the

1 property for taxation within 30 days after the date of termination.

2 ~~[(b) If the chief appraiser denies an application for an~~
3 ~~exemption for property described by Section 22.01(a), the person~~
4 ~~who owns the property on the date the application is denied shall~~
5 ~~render the property for taxation in the manner provided by Section~~
6 ~~22.01 within 30 days after the date of denial.]~~

7 SECTION 23. Section 22.05, Tax Code, is amended to read as
8 follows:

9 Sec. 22.05. RENDITION BY RAILROAD. (a) A ~~[In addition to~~
10 ~~other reports required by Chapter 24 of this code, a]~~ railroad
11 corporation shall render the real property the railroad corporation
12 owns or possesses as of January 1.

13 (b) The rendition shall:

14 (1) list all real property other than the property
15 covered by Subdivision (2) ~~[of this subsection]; and~~

16 (2) list the number of miles of railroad together with
17 the market value per mile, which value shall include right-of-way,
18 roadbed, superstructure, and all buildings and improvements used in
19 the operation of the railroad ~~[, and~~

20 ~~[(3) list all personal property as required by Section~~
21 ~~22.01 of this code].~~

22 SECTION 24. The heading to Section 22.07, Tax Code, is
23 amended to read as follows:

24 Sec. 22.07. STATEMENT INDICATING HOW VALUE RENDERED
25 ~~[INSPECTION OF PROPERTY]~~.

26 SECTION 25. Section 22.07, Tax Code, is amended by amending
27 Subsection (c) and adding Subsection (c-1) to read as follows:

1 (c) The chief appraiser may request, either in writing or by
2 electronic means, that the property owner provide a statement
3 containing supporting information indicating how the value
4 rendered under Section 22.01(a)(4) [~~22.01(a)(5)~~] was determined.
5 The statement must:

6 (1) summarize information sufficient to identify the
7 property, including:

8 (A) the physical and economic characteristics
9 relevant to the opinion of value, if appropriate; and

10 (B) the source of the information used;

11 (2) state the effective date of the opinion of value;
12 and

13 (3) explain the basis of the value rendered.

14 (c-1) If the property owner is a business with 50 employees
15 or less, the property owner may base the estimate of value on the
16 depreciation schedules used for federal income tax purposes.

17 SECTION 26. Section 23.014, Tax Code, is amended to read as
18 follows:

19 Sec. 23.014. EXCLUSION OF PROPERTY AS REAL PROPERTY. In
20 [~~Except as provided by Section 23.24(b), in~~] determining the market
21 value of real property, the chief appraiser shall analyze the
22 effect on that value of, and exclude from that value the value of,
23 any:

24 (1) tangible personal property, including trade
25 fixtures;

26 (2) intangible personal property;

27 (3) chicken coops or rabbit pens used for the

1 noncommercial production of food for personal consumption; or
2 (4) other property that is not subject to appraisal as
3 real property.

4 SECTION 27. Sections 23.12(a) and (f), Tax Code, are
5 amended to read as follows:

6 (a) The [~~Except as provided by Sections 23.121, 23.1241,~~
7 ~~23.124, and 23.127, the~~] market value of a real property [~~an~~
8 inventory is the price for which it would sell as a unit to a
9 purchaser who would continue the business. A real property [~~An~~
10 inventory includes [~~shall include~~] residential real property which
11 has never been occupied as a residence and is held for sale in the
12 ordinary course of a trade or business, provided that the
13 residential real property remains unoccupied, is not leased or
14 rented, and produces no income.

15 (f) The owner of an inventory [~~other than a dealer's motor~~
16 ~~vehicle inventory as that term is defined by Section 23.121, a~~
17 ~~dealer's heavy equipment inventory as that term is defined by~~
18 ~~Section 23.1241, or a dealer's vessel and outboard motor inventory~~
19 ~~as that term is defined by Section 23.124, or a retail manufactured~~
20 ~~housing inventory as that term is defined by Section 23.127]~~ may
21 elect to have the inventory appraised at its market value as of
22 September 1 of the year preceding the tax year to which the
23 appraisal applies by filing an application with the chief appraiser
24 requesting that the inventory be appraised as of September 1. The
25 application must clearly describe the inventory to which it applies
26 and be signed by the owner of the inventory. The application
27 applies to the appraisal of the inventory in each tax year that

1 begins after the next August 1 following the date the application is
2 filed with the chief appraiser unless the owner of the inventory by
3 written notice filed with the chief appraiser revokes the
4 application or the ownership of the inventory changes. A notice
5 revoking the application is effective for each tax year that begins
6 after the next September following the date the notice of
7 revocation is filed with the chief appraiser.

8 SECTION 28. Sections 25.25(e) and (m), Tax Code, are
9 amended to read as follows:

10 (e) If the chief appraiser and the property owner do not
11 agree to the correction before the 15th day after the date the
12 motion is filed, a party bringing a motion under Subsection (c)[~~7~~
13 ~~(c-1)~~], or (d) is entitled on request to a hearing on and a
14 determination of the motion by the appraisal review board. A party
15 bringing a motion under this section must describe the error or
16 errors that the motion is seeking to correct. If a request for
17 hearing is made on or after January 1 but before September 1, the
18 appraisal review board shall schedule the hearing to be held as soon
19 as practicable but not later than the 90th day after the date the
20 board approves the appraisal records as provided by Section 41.12.
21 If a request for hearing is made on or after September 1 but before
22 January 1 of the following tax year, the appraisal review board
23 shall schedule the hearing to be held as soon as practicable but not
24 later than the 90th day after the date the request for the hearing
25 is made. Not later than 15 days before the date of the hearing, the
26 board shall deliver written notice of the date, time, and place of
27 the hearing to the chief appraiser, the property owner, and the

1 presiding officer of the governing body of each taxing unit in which
2 the property is located. The chief appraiser, the property owner,
3 and each taxing unit are entitled to present evidence and argument
4 at the hearing and to receive written notice of the board's
5 determination of the motion. The property owner is entitled to
6 elect to present the owner's evidence and argument before, after,
7 or between the cases presented by the chief appraiser and each
8 taxing unit. A property owner who files the motion must comply with
9 the payment requirements of Section 25.26 or forfeit the right to a
10 final determination of the motion.

11 (m) The hearing on a motion under Subsection (c) [~~(c-1)~~],
12 or (d) shall be conducted in the manner provided by Subchapter C,
13 Chapter 41.

14 SECTION 29. Sections 26.012(6) and (15), Tax Code, are
15 amended to read as follows:

16 (6) "Current total value" means the total taxable
17 value of property listed on the appraisal roll for the current year,
18 including all appraisal roll supplements and corrections as of the
19 date of the calculation, less the taxable value of property
20 exempted for the current tax year for the first time under Section
21 11.31 [~~or 11.315~~], except that:

22 (A) the current total value for a school district
23 excludes:

24 (i) the total value of homesteads that
25 qualify for a tax limitation as provided by Section 11.26; and

26 (ii) new property value of property that is
27 subject to an agreement entered into under Chapter 313; and

1 (B) the current total value for a county,
2 municipality, or junior college district excludes the total value
3 of homesteads that qualify for a tax limitation provided by Section
4 11.261.

5 (15) "Lost property levy" means the amount of taxes
6 levied in the preceding year on property value that was taxable in
7 the preceding year but is not taxable in the current year because
8 the property is exempt in the current year under a provision of this
9 code other than Section [~~11.251, 11.253, or~~] 11.35, the property
10 has qualified for special appraisal under Chapter 23 in the current
11 year, or the property is located in territory that has ceased to be
12 a part of the taxing unit since the preceding year.

13 SECTION 30. Section 26.09(b), Tax Code, is amended to read
14 as follows:

15 (b) [~~The county assessor-collector shall add the properties~~
16 ~~and their values certified to him as provided by Chapter 24 of this~~
17 ~~code to the appraisal roll for county tax purposes.] The county
18 assessor-collector shall use the appraisal roll certified to the
19 county assessor-collector [~~him~~] as provided by Section 26.01 [~~with~~
20 ~~the added properties and values~~] to calculate county taxes.~~

21 SECTION 31. Section 31.032(a), Tax Code, is amended to read
22 as follows:

23 (a) This section applies only to:

24 (1) real property that:

25 (A) is:

26 (i) the residence homestead of the owner or
27 consists of property that is used for residential purposes and that

1 has fewer than five living units; or

2 (ii) owned or leased by a business entity
3 that had not more than the amount calculated as provided by
4 Subsection (h) in gross receipts in the entity's most recent
5 federal tax year or state franchise tax annual period, according to
6 the applicable federal income tax return or state franchise tax
7 report of the entity;

8 (B) is located in a disaster area or emergency
9 area; and

10 (C) has been damaged as a direct result of the
11 disaster or emergency; and

12 ~~(2) [tangible personal property that is owned or~~
13 ~~leased by a business entity described by Subdivision (1)(A)(ii);~~
14 ~~and~~

15 ~~(3)]~~ taxes that are imposed on the property by a
16 taxing unit before the first anniversary of the disaster or
17 emergency.

18 SECTION 32. Section 31.033(b), Tax Code, is amended to read
19 as follows:

20 (b) This section applies only to:

21 (1) real property that:

22 (A) is owned or leased by a business entity that
23 had not more than the amount calculated as provided by Section
24 31.032(h) in gross receipts in the entity's most recent federal tax
25 year or state franchise tax annual period, according to the
26 applicable federal income tax return or state franchise tax report
27 of the entity;

1 (B) is located in a disaster area or emergency
2 area; and

3 (C) has not been damaged as a direct result of the
4 disaster or emergency; and

5 (2) [~~tangible personal property that is owned or~~
6 ~~leased by a business entity described by Subdivision (1)(A); and~~

7 [~~(3)~~] taxes that are imposed on the property by a
8 taxing unit before the first anniversary of the disaster or
9 emergency.

10 SECTION 33. Section 31.06(e), Tax Code, is amended to read
11 as follows:

12 (e) A collector may adopt a written policy that requires
13 payment of delinquent taxes, penalties, interest, and costs and
14 expenses recoverable under Section 33.48 only with United States
15 currency, a cashier's check, a certified check, or an electronic
16 funds transfer if the payment relates to:

17 (1) [~~personal property seized under Subchapter B,~~
18 ~~Chapter 33,~~

19 [~~(2)~~] property subject to an order of sale under
20 Subchapter C, Chapter 33; or

21 (2) [~~(3)~~] real property seized under Subchapter E,
22 Chapter 33.

23 SECTION 34. Section 41.44(a), Tax Code, is amended to read
24 as follows:

25 (a) Except as provided by Subsections (b), (c), (c-1), and
26 (c-2), to be entitled to a hearing and determination of a protest,
27 the property owner initiating the protest must file a written

1 notice of the protest with the appraisal review board having
2 authority to hear the matter protested:

3 (1) not later than May 15 or the 30th day after the
4 date that notice to the property owner was delivered to the property
5 owner as provided by Section 25.19, whichever is later;

6 (2) in the case of a protest of a change in the
7 appraisal records ordered as provided by Subchapter A of this
8 chapter or by Chapter 25, not later than the 30th day after the date
9 notice of the change is delivered to the property owner;

10 (3) in the case of a determination that a change in the
11 use of land appraised under Subchapter C, D, E, or H, Chapter 23,
12 has occurred, not later than the 30th day after the date the notice
13 of the determination is delivered to the property owner; or

14 ~~(4) [in the case of a determination of eligibility for~~
15 ~~a refund under Section 23.1243, not later than the 30th day after~~
16 ~~the date the notice of the determination is delivered to the~~
17 ~~property owner; or~~

18 ~~(5)]~~ in the case of a protest of the modification or
19 denial of an application for an exemption under Section 11.35, or
20 the determination of an appropriate damage assessment rating for an
21 item of qualified property under that section, not later than the
22 30th day after the date the property owner receives the notice
23 required under Section 11.45(e).

24 SECTION 35. Section 42.01, Tax Code, is amended to read as
25 follows:

26 Sec. 42.01. RIGHT OF APPEAL BY PROPERTY OWNER. (a) A
27 property owner is entitled to appeal[+]

1 ~~[(1)]~~ an order of the appraisal review board
2 determining:

3 (1) ~~[(A)]~~ a protest by the property owner as provided
4 by Subchapter C of Chapter 41;

5 (2) ~~[(B)]~~ a motion filed under Section 25.25;

6 (3) ~~[(C)]~~ that the property owner has forfeited the
7 right to a final determination of a motion filed under Section 25.25
8 or of a protest under Section 41.411 for failing to comply with the
9 prepayment requirements of Section 25.26 or 41.4115, as applicable;
10 or

11 (4) ~~[(D) eligibility for a refund requested under~~
12 ~~Section 23.1243, or~~

13 ~~[(E)]~~ that the appraisal review board lacks
14 jurisdiction to finally determine a protest by the property owner
15 under Subchapter C, Chapter 41, or a motion filed by the property
16 owner under Section 25.25 because the property owner failed to
17 comply with a requirement of Subchapter C, Chapter 41, or Section
18 25.25, as applicable~~, or~~

19 ~~[(2) an order of the comptroller issued as provided by~~
20 ~~Subchapter B, Chapter 24, apportioning among the counties the~~
21 ~~appraised value of railroad rolling stock owned by the property~~
22 ~~owner].~~

23 (b) A property owner who establishes that the owner did not
24 forfeit the right to a final determination of a motion or of a
25 protest in an appeal under Subsection (a)(3) ~~[(a)(1)(C)]~~ is
26 entitled to a final determination of the court, as applicable:

27 (1) of the motion filed under Section 25.25; or

1 (2) of the protest under Section 41.411 of the failure
2 of the chief appraiser or appraisal review board to provide or
3 deliver a notice to which the property owner is entitled, and, if
4 failure to provide or deliver the notice is established, of a
5 protest made by the property owner on any other grounds of protest
6 authorized by this title relating to the property to which the
7 notice applies.

8 (c) A property owner who establishes that the appraisal
9 review board had jurisdiction to issue a final determination of the
10 protest by the property owner under Subchapter C, Chapter 41, or of
11 the motion filed by the property owner under Section 25.25 in an
12 appeal under Subsection (a)(4) [~~(a)(1)(E)~~] of this section is
13 entitled to a final determination by the court of the protest under
14 Subchapter C, Chapter 41, or of the motion filed under Section
15 25.25. A final determination of a protest under Subchapter C,
16 Chapter 41, by the court under this subsection may be on any ground
17 of protest authorized by this title applicable to the property that
18 is the subject of the protest, regardless of whether the property
19 owner included the ground in the property owner's notice of
20 protest.

21 SECTION 36. Section 42.21(b), Tax Code, is amended to read
22 as follows:

23 (b) A petition for review brought under Section 42.02 must
24 be brought against the owner of the property involved in the appeal.
25 A petition for review brought under Section 42.031 must be brought
26 against the appraisal district and against the owner of the
27 property involved in the appeal. [~~A petition for review brought~~

1 ~~under Section 42.01(a)(2) or 42.03 must be brought against the~~
2 ~~comptroller.]~~ Any other petition for review under this chapter
3 must be brought against the appraisal district. A petition for
4 review may not be brought against the appraisal review board. An
5 appraisal district may hire an attorney that represents the
6 district to represent the appraisal review board established for
7 the district to file an answer and obtain a dismissal of a suit
8 filed against the appraisal review board in violation of this
9 subsection.

10 SECTION 37. Section 42.22, Tax Code, as amended by Chapters
11 667 (S.B. 548) and 1033 (H.B. 301), Acts of the 73rd Legislature,
12 Regular Session, 1993, is reenacted and amended to read as follows:

13 Sec. 42.22. VENUE. (a) Except as provided by Subsection
14 ~~[Subsections]~~ (b) of this section ~~[and (c),]~~ and by Section 42.221,
15 venue is in the county in which the appraisal review board that
16 issued the order appealed is located.

17 (b) Venue of an action brought under Section 42.01(a)
18 ~~[42.01(1)]~~ is in the county in which the property is located or in
19 the county in which the appraisal review board that issued the order
20 is located.

21 ~~[(c) Venue is in Travis County if the order appealed was~~
22 ~~issued by the comptroller.]~~

23 SECTION 38. Sections 151.356(a) and (c), Tax Code, are
24 amended to read as follows:

25 (a) In this section:

26 (1) "Environmental protection agency of the United
27 States" includes:

1 (A) the United States Department of the Interior
2 and any agency, bureau, or other entity established in that
3 department, including the Bureau of Safety and Environmental
4 Enforcement and the Bureau of Ocean Energy Management; and

5 (B) any other department, agency, bureau, or
6 entity of the United States that prescribes rules or regulations
7 described by Subdivision (3)(A).

8 (2) "Offshore[, "offshore] spill response containment
9 property" means tangible personal property:

10 (A) used, constructed, acquired, stored, or
11 installed solely as part of, or used solely for the development,
12 improvement, storage, deployment, repair, maintenance, or testing
13 of, an offshore spill response containment system that is stored
14 while not in use in a county bordering on the Gulf of Mexico or on a
15 bay or other body of water immediately adjacent to the Gulf of
16 Mexico [~~(1) described by Section 11.271(c)~~];

17 (B) [~~(2)~~] owned or leased by an entity formed
18 primarily for the purpose of designing, developing, modifying,
19 enhancing, assembling, operating, deploying, and maintaining an
20 offshore spill response containment system [~~described by Section~~
21 ~~11.271(f)~~]; and

22 (C) [~~(3)~~] used or intended to be used solely in
23 an offshore spill response containment system [~~as defined by~~
24 ~~Section 11.271(a)~~].

25 (3) "Offshore spill response containment system"
26 means a marine or mobile containment system that:

27 (A) is designed and used or intended to be used

1 solely to implement a response plan that meets or exceeds rules or
2 regulations adopted by any environmental protection agency of the
3 United States, this state, or a political subdivision of this state
4 for the control, reduction, or monitoring of air, water, or land
5 pollution in the event of a blowout or loss of control of an
6 offshore well drilled or used for the exploration for or production
7 of oil or gas;

8 (B) has a design capability to respond to a
9 blowout or loss of control of an offshore well drilled or used for
10 the exploration for or production of oil or gas that is drilled in
11 more than 5,000 feet of water;

12 (C) is used or intended to be used solely to
13 respond to a blowout or loss of control of an offshore well drilled
14 or used for the exploration for or production of oil or gas without
15 regard to the depth of the water in which the well is drilled; and

16 (D) except for any monitoring function for which
17 the system may be used, is used or intended to be used as a temporary
18 measure to address fugitive oil, gas, sulfur, or other minerals
19 after a leak has occurred and is not used or intended to be used
20 after the leak has been contained as a continuing means of producing
21 oil, gas, sulfur, or other minerals.

22 (4) "Rules or regulations adopted by any environmental
23 protection agency of the United States" includes 30 C.F.R. Part 254
24 and any corresponding provision or provisions of succeeding,
25 similar, substitute, proposed, or final federal regulations.

26 (c) The sale, lease, rental, storage, use, or other
27 consumption by an entity described by Subsection (a)(2)(B) [~~Section~~

1 ~~11.271(f)]~~ of offshore spill response containment property used
2 solely for the purposes described by [~~Section 11.271(c) and~~] this
3 section is exempted from the taxes imposed by this chapter.

4 SECTION 39. Section 312.0021(b), Tax Code, is amended to
5 read as follows:

6 (b) Notwithstanding any other provision of this chapter, an
7 owner or lessee of a parcel of real property that is located wholly
8 or partly in a reinvestment zone may not receive an exemption from
9 taxation of any portion of the value of the parcel of real property
10 [~~or of tangible personal property located on the parcel of real~~
11 ~~property]~~ under a tax abatement agreement under this chapter that
12 is entered into on or after September 1, 2017, if, on or after that
13 date, a wind-powered energy device is installed or constructed on
14 the same parcel of real property at a location that is within 25
15 nautical miles of the boundaries of a military aviation facility
16 located in this state. The prohibition provided by this section
17 applies regardless of whether the wind-powered energy device is
18 installed or constructed at a location that is in the reinvestment
19 zone.

20 SECTION 40. Section 312.007(a), Tax Code, is amended to
21 read as follows:

22 (a) In this section, "abatement period" means the period
23 during which all or a portion of the value of real property [~~or~~
24 ~~tangible personal property]~~ that is the subject of a tax abatement
25 agreement is exempt from taxation.

26 SECTION 41. Sections 312.204(a), (e), and (g), Tax Code,
27 are amended to read as follows:

1 (a) The governing body of a municipality eligible to enter
2 into tax abatement agreements under Section 312.002 may agree in
3 writing with the owner of taxable real property that is located in a
4 reinvestment zone, but that is not in an improvement project
5 financed by tax increment bonds, to exempt from taxation a portion
6 of the value of the real property [~~or of tangible personal property~~
7 ~~located on the real property, or both,~~] for a period not to exceed
8 10 years, on the condition that the owner of the property make
9 specific improvements or repairs to the property. The governing
10 body of an eligible municipality may agree in writing with the owner
11 of a leasehold interest in tax-exempt real property that is located
12 in a reinvestment zone, but that is not in an improvement project
13 financed by tax increment bonds, to exempt a portion of the value of
14 property subject to ad valorem taxation, including the leasehold
15 interest or [~~7~~] improvements [~~7, or tangible personal property~~]
16 located on the real property, for a period not to exceed 10 years,
17 on the condition that the owner of the leasehold interest make
18 specific improvements or repairs to the real property. A tax
19 abatement agreement under this section is subject to the rights of
20 holders of outstanding bonds of the municipality. An agreement
21 exempting taxable real property or leasehold interests or
22 improvements on tax-exempt real property may provide for the
23 exemption of such taxable interests in each year covered by the
24 agreement only to the extent its value for that year exceeds its
25 value for the year in which the agreement is executed. [~~An~~
26 ~~agreement exempting tangible personal property located on taxable~~
27 ~~or tax-exempt real property may provide for the exemption of~~

1 ~~tangible personal property located on the real property in each~~
2 ~~year covered by the agreement other than tangible personal property~~
3 ~~that was located on the real property at any time before the period~~
4 ~~covered by the agreement with the municipality, including inventory~~
5 ~~and supplies.]~~ In a municipality that has a comprehensive zoning
6 ordinance, an improvement, repair, development, or redevelopment
7 taking place under an agreement under this section must conform to
8 the comprehensive zoning ordinance.

9 (e) The governing body of a municipality eligible to enter
10 into tax abatement agreements under Section 312.002 may agree in
11 writing with the owner or lessee of real property that is located in
12 a reinvestment zone to exempt from taxation for a period not to
13 exceed 10 years a portion of the value of the real property [~~or of~~
14 ~~personal property, or both,~~] located within the zone and owned or
15 leased by a certificated air carrier, on the condition that the
16 certificated air carrier make specific real property improvements
17 or lease for a term of 10 years or more real property improvements
18 located within the reinvestment zone. An agreement may provide for
19 the exemption of the real property in each year covered by the
20 agreement to the extent its value for that year exceeds its value
21 for the year in which the agreement is executed. [~~An agreement may~~
22 ~~provide for the exemption of the personal property owned or leased~~
23 ~~by a certificated air carrier located within the reinvestment zone~~
24 ~~in each year covered by the agreement other than specific personal~~
25 ~~property that was located within the reinvestment zone at any time~~
26 ~~before the period covered by the agreement with the municipality.]~~

27 (g) Notwithstanding the other provisions of this chapter,

1 the governing body of a municipality eligible to enter into tax
2 abatement agreements under Section 312.002 may agree in writing
3 with the owner of real property that is located in a reinvestment
4 zone to exempt from taxation for a period not to exceed five years a
5 portion of the value of the real property [~~or of tangible personal~~
6 ~~property located on the real property, or both,~~] that is used to
7 provide housing for military personnel employed at a military
8 facility located in or near the municipality. An agreement may
9 provide for the exemption of the real property in each year covered
10 by the agreement only to the extent its value for that year exceeds
11 its value for the year in which the agreement is executed. [~~An~~
12 ~~agreement may provide for the exemption of tangible personal~~
13 ~~property located on the real property in each year covered by the~~
14 ~~agreement other than tangible personal property that was located on~~
15 ~~the real property at any time before the period covered by the~~
16 ~~agreement with the municipality and other than inventory or~~
17 ~~supplies.~~] The governing body of the municipality may adopt
18 guidelines and criteria for tax abatement agreements entered into
19 under this subsection that are different from the guidelines and
20 criteria that apply to tax abatement agreements entered into under
21 another provision of this section. Tax abatement agreements
22 entered into under this subsection are not required to contain
23 identical terms for the portion of the value of the property that is
24 to be exempt or for the duration of the exemption as tax abatement
25 agreements entered into with the owners of property in the
26 reinvestment zone under another provision of this section.

27 SECTION 42. Section 312.210(b), Tax Code, is amended to

1 read as follows:

2 (b) A tax abatement agreement with the owner of real
3 property [~~or tangible personal property~~] that is located in the
4 reinvestment zone described by Subsection (a) and in a school
5 district that has a local revenue level that does not exceed the
6 level established under Section 48.257, Education Code, must exempt
7 from taxation:

8 (1) the portion of the value of the property in the
9 amount specified in the joint agreement among the municipality,
10 county, and junior college district; and

11 (2) an amount equal to 10 percent of the maximum
12 portion of the value of the property that may under Section
13 312.204(a) be otherwise exempted from taxation.

14 SECTION 43. Section 312.211(a), Tax Code, is amended to
15 read as follows:

16 (a) This section applies only to [~~+~~

17 [~~(1)~~] real property:

18 (1) [~~(A)~~] that is located in a reinvestment zone;

19 (2) [~~(B)~~] that is not in an improvement project
20 financed by tax increment bonds; and

21 (3) [~~(C)~~] that is the subject of a voluntary cleanup
22 agreement under Section 361.606, Health and Safety Code [~~, and~~

23 [~~(2) tangible personal property located on the real~~
24 ~~property~~].

25 SECTION 44. Sections 312.402(a), (a-1), and (a-3), Tax
26 Code, are amended to read as follows:

27 (a) The commissioners court may execute a tax abatement

1 agreement with the owner of taxable real property located in a
2 reinvestment zone designated under this subchapter [~~or with the~~
3 ~~owner of tangible personal property located on real property in a~~
4 ~~reinvestment zone]~~ to exempt from taxation all or a portion of the
5 value of the real property [~~, all or a portion of the value of the~~
6 ~~tangible personal property located on the real property, or all or a~~
7 ~~portion of the value of both]~~.

8 (a-1) The commissioners court may execute a tax abatement
9 agreement with the owner of a leasehold interest in tax-exempt real
10 property located in a reinvestment zone designated under this
11 subchapter to exempt all or a portion of the value of the leasehold
12 interest in the real property. The court may execute a tax
13 abatement agreement with the owner of [~~tangible personal property~~
14 ~~or]~~ an improvement located on tax-exempt real property that is
15 located in a designated reinvestment zone to exempt all or a portion
16 of the value of the [~~tangible personal property or]~~ improvement
17 located on the real property.

18 (a-3) The commissioners court may execute a tax abatement
19 agreement with a lessee of taxable real property located in a
20 reinvestment zone designated under this subchapter to exempt from
21 taxation all or a portion of the value of the fixtures,
22 improvements, or other real property owned by the lessee and
23 located on the property that is subject to the lease [~~, all or a~~
24 ~~portion of the value of tangible personal property owned by the~~
25 ~~lessee and located on the real property that is the subject of the~~
26 ~~lease, or all or a portion of the value of both the fixtures,~~
27 ~~improvements, or other real property and the tangible personal~~

1 ~~property described by this subsection].~~

2 SECTION 45. Section 71.041(5), Agriculture Code, is amended
3 to read as follows:

4 (5) "Nursery stock weather protection unit" means a
5 plant cover consisting of a series of removable, portable metal
6 hoops, covered by nonreusable plastic sheeting, shade cloth, or
7 other similar removable material, used exclusively for protecting
8 nursery products from weather elements. A nursery stock weather
9 protection unit is an implement of husbandry for all purposes[
10 ~~including Article VIII, Section 19a, of the Texas Constitution].~~

11 SECTION 46. Section 93.001(2), Business & Commerce Code, is
12 amended to read as follows:

13 (2) "Heavy equipment" means self-propelled,
14 self-powered, or pull-type equipment, including farm equipment or a
15 diesel engine, that weighs at least 1,500 pounds and is intended to
16 be used for agricultural, construction, industrial, maritime,
17 mining, or forestry uses. The term does not include a motor
18 vehicle that is required by:

19 (A) Chapter 501, Transportation Code, to be
20 titled; or

21 (B) Chapter 502, Transportation Code, to be
22 registered [~~has the meaning assigned by Section 23.1241, Tax Code].~~

23 SECTION 47. Sections 89.003(a) and (b), Finance Code, are
24 amended to read as follows:

25 (a) Each association and each federal association shall
26 render for ad valorem taxation all of its personal property, other
27 than tangible personal property [~~furniture, fixtures, equipment,~~

1 ~~and automobiles~~], as a whole at the value remaining after deducting
2 the following from the total value of its entire assets:

- 3 (1) all debts that it owes;
- 4 (2) all tax-free securities that it owns;
- 5 (3) its loss reserves and surplus;
- 6 (4) its savings liability; ~~and~~
- 7 (5) the appraised value of its ~~[furniture, fixtures,~~
8 ~~and] real property; and~~
- 9 (6) the value of its tangible personal property.

10 (b) The association or federal association shall render the
11 personal property, other than tangible personal property
12 ~~[furniture, fixtures, equipment, and automobiles]~~, to the chief
13 appraiser of the appraisal district in the county in which its
14 principal office is located.

15 SECTION 48. Sections 403.302(d) and (i), Government Code,
16 are amended to read as follows:

17 (d) For the purposes of this section, "taxable value" means
18 the market value of all taxable property less:

19 (1) the total dollar amount of any residence homestead
20 exemptions lawfully granted under Section 11.13(b) or (c), Tax
21 Code, in the year that is the subject of the study for each school
22 district;

23 (2) one-half of the total dollar amount of any
24 residence homestead exemptions granted under Section 11.13(n), Tax
25 Code, in the year that is the subject of the study for each school
26 district;

27 (3) the total dollar amount of any exemptions granted

1 before May 31, 1993, within a reinvestment zone under agreements
2 authorized by Chapter 312, Tax Code;

3 (4) subject to Subsection (e), the total dollar amount
4 of any captured appraised value of property that:

5 (A) is within a reinvestment zone created on or
6 before May 31, 1999, or is proposed to be included within the
7 boundaries of a reinvestment zone as the boundaries of the zone and
8 the proposed portion of tax increment paid into the tax increment
9 fund by a school district are described in a written notification
10 provided by the municipality or the board of directors of the zone
11 to the governing bodies of the other taxing units in the manner
12 provided by former Section 311.003(e), Tax Code, before May 31,
13 1999, and within the boundaries of the zone as those boundaries
14 existed on September 1, 1999, including subsequent improvements to
15 the property regardless of when made;

16 (B) generates taxes paid into a tax increment
17 fund created under Chapter 311, Tax Code, under a reinvestment zone
18 financing plan approved under Section 311.011(d), Tax Code, on or
19 before September 1, 1999; and

20 (C) is eligible for tax increment financing under
21 Chapter 311, Tax Code;

22 (5) the total dollar amount of any captured appraised
23 value of property that:

24 (A) is within a reinvestment zone:

25 (i) created on or before December 31, 2008,
26 by a municipality with a population of less than 18,000; and

27 (ii) the project plan for which includes

1 the alteration, remodeling, repair, or reconstruction of a
2 structure that is included on the National Register of Historic
3 Places and requires that a portion of the tax increment of the zone
4 be used for the improvement or construction of related facilities
5 or for affordable housing;

6 (B) generates school district taxes that are paid
7 into a tax increment fund created under Chapter 311, Tax Code; and

8 (C) is eligible for tax increment financing under
9 Chapter 311, Tax Code;

10 (6) ~~[the total dollar amount of any exemptions granted~~
11 ~~under Section 11.251 or 11.253, Tax Code;~~

12 ~~(7)~~ the difference between the comptroller's
13 estimate of the market value and the productivity value of land that
14 qualifies for appraisal on the basis of its productive capacity,
15 except that the productivity value estimated by the comptroller may
16 not exceed the fair market value of the land;

17 (7) ~~(8)~~ the portion of the appraised value of
18 residence homesteads of individuals who receive a tax limitation
19 under Section 11.26, Tax Code, on which school district taxes are
20 not imposed in the year that is the subject of the study, calculated
21 as if the residence homesteads were appraised at the full value
22 required by law;

23 (8) ~~(9)~~ a portion of the market value of property
24 not otherwise fully taxable by the district at market value because
25 of action required by statute or the constitution of this state [~~7~~
26 ~~other than Section 11.311, Tax Code,~~] that, if the tax rate adopted
27 by the district is applied to it, produces an amount equal to the

1 difference between the tax that the district would have imposed on
2 the property if the property were fully taxable at market value and
3 the tax that the district is actually authorized to impose on the
4 property, if this subsection does not otherwise require that
5 portion to be deducted;

6 (9) [~~(10)~~] ~~the market value of all tangible personal~~
7 ~~property, other than manufactured homes, owned by a family or~~
8 ~~individual and not held or used for the production of income;~~

9 [~~(11)~~] the appraised value of property the collection
10 of delinquent taxes on which is deferred under Section 33.06, Tax
11 Code;

12 (10) [~~(12)~~] the portion of the appraised value of
13 property the collection of delinquent taxes on which is deferred
14 under Section 33.065, Tax Code;

15 (11) [~~(13)~~] the amount by which the market value of a
16 residence homestead to which Section 23.23, Tax Code, applies
17 exceeds the appraised value of that property as calculated under
18 that section; and

19 (12) [~~(14)~~] the total dollar amount of any exemptions
20 granted under Section 11.35, Tax Code.

21 (i) If the comptroller determines in the study that the
22 market value of property in a school district as determined by the
23 appraisal district that appraises property for the school district,
24 less the total of the amounts and values listed in Subsection (d) as
25 determined by that appraisal district, is valid, the comptroller,
26 in determining the taxable value of property in the school district
27 under Subsection (d), shall for purposes of Subsection (d)(11)

1 [~~(d)(13)~~] subtract from the market value as determined by the
2 appraisal district of residence homesteads to which Section 23.23,
3 Tax Code, applies the amount by which that amount exceeds the
4 appraised value of those properties as calculated by the appraisal
5 district under Section 23.23, Tax Code. If the comptroller
6 determines in the study that the market value of property in a
7 school district as determined by the appraisal district that
8 appraises property for the school district, less the total of the
9 amounts and values listed in Subsection (d) as determined by that
10 appraisal district, is not valid, the comptroller, in determining
11 the taxable value of property in the school district under
12 Subsection (d), shall for purposes of Subsection (d)(11) [~~(d)(13)~~]
13 subtract from the market value as estimated by the comptroller of
14 residence homesteads to which Section 23.23, Tax Code, applies the
15 amount by which that amount exceeds the appraised value of those
16 properties as calculated by the appraisal district under Section
17 23.23, Tax Code.

18 SECTION 49. Section 503.038(a), Transportation Code, is
19 amended to read as follows:

20 (a) The department may cancel a dealer's general
21 distinguishing number if the dealer:

22 (1) falsifies or forges a title document, including an
23 affidavit making application for a certified copy of a title;

24 (2) files a false or forged tax document, including a
25 sales tax affidavit;

26 (3) fails to take assignment of any basic evidence of
27 ownership, including a certificate of title or manufacturer's

1 certificate, for a vehicle the dealer acquires;

2 (4) fails to assign any basic evidence of ownership,
3 including a certificate of title or manufacturer's certificate, for
4 a vehicle the dealer sells;

5 (5) uses or permits the use of a metal dealer's license
6 plate or a dealer's temporary tag on a vehicle that the dealer does
7 not own or control or that is not in stock and offered for sale;

8 (6) makes a material misrepresentation in an
9 application or other information filed with the department;

10 (7) fails to maintain the qualifications for a general
11 distinguishing number;

12 (8) fails to provide to the department within 30 days
13 after the date of demand by the department satisfactory and
14 reasonable evidence that the person is regularly and actively
15 engaged in business as a wholesale or retail dealer;

16 (9) has been licensed for at least 12 months and has
17 not assigned at least five vehicles during the previous 12-month
18 period;

19 (10) ~~[has failed to demonstrate compliance with~~
20 ~~Sections 23.12, 23.121, and 23.122, Tax Code,~~

21 ~~[(11)]~~ uses or allows the use of the dealer's general
22 distinguishing number or the location for which the general
23 distinguishing number is issued to avoid the requirements of this
24 chapter;

25 (11) ~~[(12)]~~ misuses or allows the misuse of a
26 temporary tag authorized under this chapter;

27 (12) ~~[(13)]~~ refuses to show on a buyer's temporary tag

1 the date of sale or other reasonable information required by the
2 department; or

3 (13) [~~(14)~~] otherwise violates this chapter or a rule
4 adopted under this chapter.

5 SECTION 50. (a) The following provisions of the Tax Code
6 are repealed:

- 7 (1) Section 6.24(c);
- 8 (2) Sections 11.01(c), (d), and (e);
- 9 (3) Section 11.11(h);
- 10 (4) Section 11.14;
- 11 (5) Section 11.141;
- 12 (6) Section 11.145;
- 13 (7) Section 11.15;
- 14 (8) Section 11.16;
- 15 (9) Section 11.161;
- 16 (10) Section 11.23(f);
- 17 (11) Section 11.25;
- 18 (12) Section 11.251;
- 19 (13) Section 11.252;
- 20 (14) Section 11.253;
- 21 (15) Section 11.254;
- 22 (16) Section 11.27(a-1);
- 23 (17) Section 11.271;
- 24 (18) Section 11.311;
- 25 (19) Section 11.315;
- 26 (20) Section 11.33;
- 27 (21) Section 11.437;

- 1 (22) Section [11.4391](#);
- 2 (23) Section [21.02](#);
- 3 (24) Section [21.021](#);
- 4 (25) Section [21.03](#);
- 5 (26) Section [21.031](#);
- 6 (27) Section [21.04](#);
- 7 (28) Section [21.05](#);
- 8 (29) Section [21.055](#);
- 9 (30) Section [21.07](#);
- 10 (31) Section [21.09](#);
- 11 (32) Section [21.10](#);
- 12 (33) Sections [22.01](#)(e), (i), (j), (k), and (m);
- 13 (34) Sections [22.04](#)(b), (c), and (d);
- 14 (35) Sections [22.07](#)(a) and (b);
- 15 (36) Section [23.121](#);
- 16 (37) Section [23.1211](#);
- 17 (38) Section [23.122](#);
- 18 (39) Section [23.123](#);
- 19 (40) Section [23.124](#);
- 20 (41) Section [23.1241](#);
- 21 (42) Section [23.1242](#);
- 22 (43) Section [23.1243](#);
- 23 (44) Section [23.125](#);
- 24 (45) Section [23.126](#);
- 25 (46) Section [23.127](#);
- 26 (47) Section [23.128](#);
- 27 (48) Section [23.129](#);

- 1 (49) Section 23.24;
- 2 (50) Chapter 24;
- 3 (51) Section 25.25(c-1);
- 4 (52) Section 33.11;
- 5 (53) Subchapter B, Chapter 33;
- 6 (54) Section 41.413(a);
- 7 (55) Section 41.47(c-1);
- 8 (56) Section 42.03; and
- 9 (57) Section 42.05.

10 (b) Sections 49.302(b) and 49.304, Education Code, are
11 repealed.

12 (c) Section 89.003(c), Finance Code, is repealed.

13 (d) Sections 379B.011(c), (d), and (e), Local Government
14 Code, are repealed.

15 SECTION 51. Sections 23.121, 23.122, 23.123, 23.124,
16 23.125, 23.126, 23.127, and 23.128, Tax Code, as repealed by this
17 Act, apply only to an offense committed before the effective date of
18 this Act. An offense committed before the effective date of this Act
19 is governed by the law in effect on the date the offense was
20 committed, and the former law is continued in effect for that
21 purpose. For purposes of this subsection, an offense was committed
22 before the effective date of this Act if any element of the offense
23 occurred before that date.

24 SECTION 52. The changes made to Section 25.25, Tax Code, by
25 this Act apply only to a motion to correct an appraisal roll filed
26 on or after the effective date of this Act. A motion to correct an
27 appraisal roll filed before the effective date of this Act is

1 governed by the law in effect on the date the motion was filed, and
2 the former law is continued in effect for that purpose.

3 SECTION 53. Sections 403.302(d) and (i), Government Code, as
4 amended by this Act, apply only to the determination of the total
5 taxable value of property in a school district for a tax year that
6 begins on or after the effective date of this Act. The determination
7 of the total taxable value of property in a school district for a
8 tax year that begins before the effective date of this Act is
9 governed by the law in effect immediately before that date, and the
10 former law is continued in effect for that purpose.

11 SECTION 54. Notwithstanding the changes in law made by this
12 Act to the provisions of the Tax Code, Agriculture Code, Business &
13 Commerce Code, Finance Code, and Transportation Code amended by
14 this Act and the repeal by this Act of provisions of the Tax Code and
15 Finance Code, each of those provisions, as it existed immediately
16 before January 1, 2024, is continued in effect for the purpose of
17 the levy and collection of an ad valorem tax on tangible personal
18 property imposed:

- 19 (1) before January 1, 2024; or
20 (2) pursuant to Section 1(b-1), Article VIII, Texas
21 Constitution.

22 SECTION 55. This Act takes effect January 1, 2024, but only
23 if the constitutional amendment proposed by the 88th Legislature,
24 Regular Session, 2023, exempting tangible personal property from ad
25 valorem taxation is approved by the voters. If that amendment is
26 not approved by the voters, this Act has no effect.