

Pending Property Tax Legislation for the 86th Legislative Session

By Sands Stiefer

This summary of pending legislation for the 86th legislative session is prepared by Olson & Olson for the benefit of local government officials and staff. It will be updated weekly to reflect new bills filed and changes to bills as they work their way through the session. These are summaries; readers should refer to the text of filed bills for full details. This issue is organized by bill number. This edition reflects actions through February 8, 2019.

HB 2 by Burrows Omnibus Property Tax Reform

Omnibus bill jointly filed in Senate (SB 2). Would include Property Tax Administration Advisory Board appointed by comptroller; minimum hours for ARB training; Arbitrator training course and manual; requirement for CAD to appraise in accordance with comptroller manuals; comptroller prescribed truth in taxation forms; modifications to comptroller database of tax rates; comptroller review of compliance with appraisal manual by CAD, ARB survey; office of tax notices established by the chief appraiser; appointment of tax notice officer by chief appraiser; permitting CAD board member to transmit written complaint about specific property appraisal without comment; special ARB panels for complex property in large counties; extends nepotism prohibition for ARB to other members of ARB; restores term limits for ARB members in large counties; administrative district judge appoints the chair and secretary of the ARB; majority concurrence by panel or ARB sufficient for action; Moves rendition deadline to April 1; requires determination of value according to comptroller manuals; moves appraisal notice deadline to April 15 for all property; inclusion of special panel information in appraisal notice; changes name of effective tax rate to "no-new-revenue" rate; redefines small taxing unit; changes rollback rate calculation to allow 2.5% increase in effective M&O rate, with exceptions; requires use of state rate calculation forms; changes deadline for submission of rates to governing body to July 22 and establishes July 27 deadline for publication of rates. Requires tax notice officer to mail or email new tax notice by July 22 to all property owners; limits anticipated collection rate; allows unit with any territory in a disaster area to use small taxing unit (8% increase) rollback rate calculations for 5 years or until taxable value exceeds value before disaster; requires adoption of rate that will exceed rollback rate before August 15; prohibits public hearing until 14 days after rate data has been entered in real time database; revises requirements for notice of public hearings; requires posting of notices on website if published in a newspaper; revises notices for meeting to vote on proposed rate and requires posting on unit's website; makes ratification election mandatory for cities and counties that adopt rates in excess of the rollback rate; provides for ratification elections to be held on the November general election date; requires posting of rate calculation forms on county website; provide for real time tax database operated by the tax notice officer of the CAD; taxing unit officials enter rate calculation information to the website. Requires each taxing unit to maintain or have access to a website and to post certain information on the website concerning members of the governing body, tax rates, and budget; repeals taxing unit challenge based on appraisal level; changes deadline for ARB approval of the appraisal records to July 5; includes various administrative provisions related to special panels; requires notice of ARB hearing to include subject matter; revises chief appraiser's notice concerning advance copies of evidence; forbids charging for copies of evidence requested; authorizes delivery of advance copies of evidence by reference to a website in addition to mail or electronic transfer; prohibits ARB from increasing appraised value above the amount submitted with the appraisal records; requires ARB to issue order within 15 days of hearing; allows agent to file multiple request for same day consecutive hearings on up to 20 properties; allows consecutive scheduling of all protests filed by an owner or the owner's designated agent, with restrictions; prohibits offering previously

requested evidence that was not delivered 14 days in advance through documents, argument, or testimony; prohibits Sunday hearings or hearings starting after 7 PM; requires arbitrators to complete training courses; deletes requirement that arbitrators reside in the county, subject to objection by the property owner. Makes conforming amendments to various Codes and Laws. It appears a water district ratification is mandatory, but the rollback percentage remains at 8%. Various effective dates.

HB 54 by Zerwas Multiple changes to protests and appeals

This bill provides for a property tax administration advisory board appointed by comptroller; Sets specific hours for ARB training; Provides for comptroller training of arbitrators; Modifies requirements for ARB survey; Makes ARB relative ineligible for appointment to ARB; Modifies ARB term limits in large counties; Local administrative judge selects ARB chairman and secretary in all counties; Panel decision by majority; Subject matter included in notice of protest; Requires chief appraiser to deliver evidence she "will" present upon request; Prescribes mode of delivery for evidence; Extends two hour wait time postponement to agent represented accounts; Scheduling of consecutive hearings for all property of an owner or agent; Written document evidencing ARB signature on ex parte affidavit; Prohibition on offering undelivered evidence; Prohibition on Sunday and late evening hearings. *Effective:1/1/20*

HB 97 by Rodriguez, Eddie Urban farm bill; adds fruits and vegetables & small scale production to 1-d-1 agricultural appraisal

This bill amends the definition of qualified land in Sec. 23.51, Tax Code. The chief appraiser is required to distinguish degrees of intensity required for common and uncommon production methods, including organic, sustainable, pastured poultry, and rotational grazing. The definition of agricultural use in that section is amended to include production of fruits and vegetables. New Sec. 23.5215 requires the comptroller to develop guidelines for certain uncommon agricultural uses. The comptroller must work in consultation with Texas A&M AgriLife Extension service and representatives of CADs and producers selected by the comptroller. The guidelines must specifically address degree of intensity for cumulative multiple agricultural uses of land and guidelines for determining under what conditions tracts under 10 acres used for fruit, vegetables, poultry, hogs, sheep, or goats may qualify. The guidelines must prohibit conversion of qualified land to wildlife management. Guidelines may address recordkeeping requirements and may consider financial investment, active management, percentage of tract used, and any other factor the comptroller considers appropriate. The comptroller must provide education resources to chief appraisers. Guidelines must be distributed on or before 9/1/2020 *Effective:9/1/2019*

HB 160 by Raymond Disability exemption for parent/guardian of disabled minor

This bill amends Sec. 11.13 to extend the disability homestead exemption to the parent or guardian of a disabled minor who resides with the parent/guardian. Other statutes are amended to conform. *Effective:1/1/2020, if Const Amendmt passes*

HB 163 by Canales Three year rollback tax

This bill amends Sec. 23.55, Tax Code, to reduce the "rollback" additional tax period from five years to three years. Applies to changes in use of land on or after the effective date. *Effective:*

HB 164 by Raymond Exclusion of value added by ADA compliant improvements or features

This bill adds Sec. 23.015, Tax Code, to provide that in valuing property the chief appraiser excludes value added by improvements or features whose primary purpose is ADA compliance. Applies only to features/improvements made on or after 1/1/19. *Effective:1/1/2020 if Constitutional amendment passes*

HB 185 by Bernal Study program for sales disclosure

Would require the comptroller to conduct a study of the impact of sales disclosure on property taxation. *Effective:Immediate effect*

HB 240 by Bernal Installment payments of homestead taxes

Would amend Sec. 31.031 to allow all homeowners to pay taxes in installments. *Effective:1/1/20*

HB 275 by Miller, Rick Exemption for survivor of armed forces member fatally injured or killed in line of duty

Amends Sec. 11.133 by substituting “killed or fatally injured in the line of duty” for “killed in action.” This will expand the scope of the exemption. *Effective:1/1/2020 if Constitutional amendment passes*

HB 297 by Murr Raises sales tax rate to 12%; substitutes limited “enrichment” tax for school M&O taxes.

This is a highly complex bill that appears intended to substitute state funding for local M&O taxes. *Effective:10/1/2020*

HB 322 by Geren Extends 65+/disabled tax ceiling to all taxing units

This bill amends Sec. 11.26, Tax Code, to apply the limitation on taxes provided by that section to all taxing units. Various transition provisions address calculation of the limitation for those who qualified for the school tax or optional city/county tax limitations prior to 2020. Various statutes are amended to conform. *Effective:1/1/2020 Constitutional amendment passes HJR 26*

HB 360 by Murphy Extends Chap 312 Tax Code until 2029

This bill amends Sec. 312.006, Tax Code, to extend the expiration date of chapter 312 until 2029 *Effective:Immediate*

HB 380 by Geren Appeal of ARB determination that it lacks jurisdiction

This bill amends Sec. 42.01, Tax Code, to add a new ground for appeal. New subsection (E) allows an appeal on the basis that the ARB lacks jurisdiction over a protest or Sec. 25.25 motion because the owner did not exhaust administrative remedies. New paragraph (c) provides that an owner who establishes that the ARB had jurisdiction to issue a final determination of a protest or motion is entitled to determination of the protest or motion by the court on any ground available, irrespective of whether the owner included the ground in the owner's notice of protest.

The bill adds Sec. 42.231, which applies to appeals of orders determining protests or 25.25 motions. It states that if a plea to the jurisdiction raises exhaustion of remedies, the court has the option to remand the case to the ARB "with instructions to allow the property owner an opportunity to cure the property owner's failure to exhaust administrative remedies." Such an action is considered a timely protest, and the determination of the protest may be appealed back to the remanding court. No jurisdictional plea on the basis of exhaustion may be raised on remand. The parties may agree, with approval of the court, to waive remand and have the court determine the appeal on the merits. If the parties waive remand each party is considered to have exhausted the party's administrative remedies. The bill applies to appeals filed on or after the effective date. *Effective:9/1/2019*

HB 383 by Bohac Reduce homestead cap to 5%

This bill amends Tax Code Sec. 23.23 to provide that the homestead limitation is reduced from 10% to 5%. The bill applies to tax years on or after the effective date. *Effective:*

HB 384 by Bohac Total homestead for 80 and above

This bill amends Sec. 11.13, Tax Code, to provide for a total homestead exemption for an individual 80 years of age or older. The exemption will pass to a surviving spouse who remains in the homestead. Secs. 11.42, 11.43, 26.10, 26.112, and 33.01 are amended to conform. Chapters 41, 42, 44, and 46, Education Code, are amended to conform. Sec. 403.302, Gov't Code, is amended to conform. *Effective:1/1/20 contingent on constitutional amendment HJR 28*

HB 388 by Murphy Property leased to charter school

This bill adds Sec. 11.211, Tax Code. The section exempts portions of real property that are leased to an open enrollment charter school that is authorized by Chapter 12, Subchapter D, Education Code and meets the requirements of Sec. 11.21(d), Tax Code (private school). The real property must be used exclusively for educational functions and reasonably necessary for the operation of the school. The owner must certify in an affidavit that the rent will be reduced in an amount equal to the tax savings. The owner must provide the school a disclosure statement regarding savings and the method of ensuring they are passed on, and the rent

must reflect the reduction. Sec. 25.07 does not apply to a leasehold interest in property exempted under the section. *Effective:1/1/18 contingent on constitutional amendment HJR 31*

HB 453 by Shaheen Homestead Exemption for certain physicians

This bill amends Sec. 11.13 to allow counties to give a homestead exemption of up to 50% of value to a qualifying physician who provides indigent health services without seeking payment from any source. *Effective:1/1/18 contingent on constitutional amendment HJR 33*

HB 470 by Paul Truth in Taxation

This bill amends Sec. 26.04 to substitute 1.04 for 1.08 in the rollback rate formula for most taxing units. Permits small taxing units (under 40,000) to use 1.08. Any unit in a disaster area may use 1.08. Amends Sec. 26.08 to make tax ratification election required for all units other than small units that exceed their rollback rate. Excepts the year following a disaster if increased expenditures are needed for response and governor has requested federal disaster aid. Modifies language of tax rate notice under Sec. 140.010, Local Government Code. Various conforming amendments. *Effective:*

HB 483 by Phelan Elected CAD Board

This bill provides for election of the CAD Board of Directors. A five member board consists of one member elected from each commissioners precinct and the county assessor-collector. If the TAC is ineligible, a fifth member is elected at large. Various conforming amendments. *Effective:1/1/2019*

HB 484 by Phelan Correction to sale price

This bill adds Sec. 25.25(c-1) allowing the ARB to reduce the appraised value of a homestead in the current and two preceding years to the sale price of the property in the current tax year, if the sale price is at least 10% lower than the value and the board finds it reflects market value. Other subsections are amended to conform. *Effective:Immediate effect*

HB 490 by Shine Appraisal and rate notices

This bill provides for a property tax administration advisory board appointed by comptroller; requires comptroller to prescribe tax rate calculation forms in conjunction with a committee appointed by the comptroller; requires the comptroller to publish a statewide list of tax rate information on its website; deletes estimated taxes from the Section 25.19 appraisal notice; renames the effective tax rate the “no-new-revenue” rate; allows taxing units to post Sec. 26.04 rate notices on their website rather than mailing or publishing them in a newspaper; requires the CAD to deliver a new notice of estimated taxes by August 7 or as soon after as practicable to each taxpayer; requires CAD to maintain a database of property tax information meeting specified standards; and allows comptroller to adopt rules regarding form, format, and delivery; allows injunction against rate adoption if chief appraiser fails to comply in bad faith; prohibits units other than school districts from holding hearings or rate adoption meetings until the seventh day after the CAD delivers the new notice; makes conforming amendments to various provisions. *Effective:1/1/20 unless otherwise specified*

HB 491 by Shine Appointment and compensation for ARB members

This bill allows the CAD board in a county of less than 120,000 to require the administrative district judge to appoint members of the ARB. The bill requires ARBs in counties of over 120,000 to establish bank accounts for the purpose of payment of per diem and expenses for their members; the CAD must deposit the amount provided in the CAD budget for such expenses in the account. Finally, the bill requires the appraisal office to provide clerical assistance to the ARB. *Effective:*

HB 492 by Shine Temporary exemption for disaster damaged property

This bill repeals the current disaster reappraisal provision (Sec. 23.02) and replaces it with a local option temporary exemption. New Sec. 11.35 applies to business personal property and to improvements to real property located in a governor-declared disaster area. The property must be at least 15% damaged, and, for business personal property, be the subject of a rendition or report establishing situs in the area for the disaster year. Procedures and deadlines for adopting the exemption are specified. Four tiers of exemption, ranging from 15 to 100 percent, are authorized depending on degree of damage. The exemption is prorated to the date of disaster declaration. Provisions for corrected bills and refunds are specified. Owners must apply

not later than 45 days after the date the exemption is adopted. A notice of the chief appraiser's action on an application is required within five days after determination. A protest must be filed not later than the 30th day after the date the property owner receives the notice. The property owner may protest only modification or denial of an application or the determination of the appropriate damage assessment rating. A taxing unit may not challenge the grant of an exemption. § 403. 302 government code is amended to conform. *Effective:*

HB 493 by Shine Disaster Exemption

This bill repeals the current disaster reappraisal provision (Sec. 23.02) and replaces it with a local option temporary exemption. New Sec. 11.35 applies to business personal property and to improvements to real property located in a governor-declared disaster area. The property must be at least 15% damaged, and, for business personal property, be the subject of a rendition or report establishing situs in the area for the disaster year. Procedures and deadlines for adopting the exemption are specified. Four tiers of exemption, ranging from 15 to 100 percent, are authorized depending on degree of damage. The exemption is prorated to the date of disaster declaration. Provisions for corrected bills and refunds are specified. Owners must apply not later than 45 days after the date the exemption is adopted. A notice of the chief appraiser's action on an application is required within five days after determination. A protest must be filed not later than the 30th day after the date the property owner receives the notice. The property owner may protest only modification or denial of an application or the determination of the appropriate damage assessment rating. A taxing unit may not challenge the grant of an exemption. § 403. 302 Government Code is amended to conform. Section 140. 012, Local Government Code is amended to provide for disaster exemption assistance payments from the state if the taxing unit pays a refund to a person under section 11.35. *Effective:*

HB 499 by Button Extends Chap 312 Tax Code until 2029

This bill amends Sec. 312.006, Tax Code, to extend the expiration date of chapter 312 until 2029 *Effective:*

HB 564 by Nevarez Taxation of compressors as heavy equipment

This bill amends Sec. 23.1241, Tax Code, to provide that a natural gas compressor package or unit is not included within the definition of heavy equipment. *Effective:1/1/20*

HB 567 by Capriglione Provides ISD wealth adjustment for security costs

Excludes revenue per student spent on campus security from wealth per student for school finance. *Effective:9/1/19*

HB 569 by Capriglione School tax bills

Requires certain school districts to include information about purchase of attendance credits on the tax bill. *Effective:1/1/20*

HB 614 by Murphy Interest on Rollback Taxes

This bill amends various sections of Chapter 23, Tax Code, to delete interest from rollback tax calculations. Secs. 23.55, 23.76, and 23.9807 are amended to reduce the rollback period from five to three years. *Effective:9/1/19*

HB 622 by Neave Temporary tax ceiling for disaster damaged property.

This bill provides a temporary tax ceiling for disaster damaged homesteads. New Sec. 11.261 provides that the taxing unit may not increase taxes over the amount imposed on a damaged homestead for the year it became uninhabitable. The owner must apply by the first anniversary of the date the homestead became uninhabitable or unusable as a result of the natural disaster. The limitation extends until the first tax year following the fifth anniversary of the disaster or the date the property is no longer the homestead of the owner or surviving spouse. The limitation will pass to a surviving spouse under specified conditions. The bill provides for corrected tax bills and refunds if needed. The chief appraiser determines loss from the tax ceiling for school districts and reports it to the comptroller. Various sections are amended to conform. *Effective:1/1/20 contingent on constitutional amendment*

HB 634 by Buckley City Military facility

Amends Sec. 140.011(a)(2) Loc Gov't Code to change the definition of local government to include a municipality partially or totally located in a county in which a US military installation is located. *Effective:1/1/19*

HB 639 by Springer Adds prior use requirement for ecological laboratory open-space land

This bill amends Sec. 23.51(1) to require that land used principally as an ecological laboratory must have been used principally in that manner by the college or university for five of the preceding seven years to qualify for agricultural appraisal. Applies to appraisal on or after effective date. *Effective:1/1/2020*

HB 664 by King Limit on recapture of property tax revenue

This bill adds Sec. 41.0932, Education Code, which provides that a school district may not be compelled to purchase attendance credits for an amount that exceeds 60% of the M&O tax revenue the district collects in the year the purchase agreement is executed. *Effective:9/1/19*

HB 665 by King Current year value in school funding

This bill amends Sec. 41.004(a), Education Code, to base foundation school program calculations on current rather than prior year values. *Effective:9/1/19*

HB 705 by Geren County sales tax for property tax relief

This bill adds Chapter 328, Tax Code, allowing a county to adopt an additional sales tax of 1% to reduce the county's property tax rate. *Effective:9/1/19 and 1/1/20*

HB 711 by Landgraf FSP Adjustments

This bill provides for adjustments in foundation school funding for districts that receive certain federal funds or are unlikely to produce projected revenue because of high prevalence of mineral rights in their tax base. *Effective:9/1/19*

HB 712 by Landgraf Robin Hood Repeal

This bill repeals Chapter 41, Education Code. *Effective:9/1/19*

HB 716 by Leach Severely disabled veteran homestead exemption

This bill adds Sec. 11.136, Tax Code, providing that a "severely disabled veteran" – one with a disability rating of 80 percent or greater, but less than 100%, is entitled to a homestead exemption of a percentage equivalent to the disability rating. The exemption will pass to a surviving spouse under certain conditions. That spouse may transfer the dollar benefit of the exemption to another homestead. Various sections are amended to conform. *Effective:1/1/20 contingent on constitutional amendment*

HB 735 by VanDaeaver School rollback rate

This bill provides an alternate rollback rate calculation for school districts whose tax rate was adopted by election in 2006 or subsequent years. New Sec. 26.08(g) is added. *Effective:Immediate effect*

HB 768 by Davis Mandatory reappraisal of disaster property

This bill amends Sec. 23.02 to mandate reappraisal of property damaged in a disaster, if located in a disaster area declared by the governor. Property must have sustained at least five percent damage according to FEMA or a successor agency. The owner may refuse reappraisal. The chief appraiser must complete the reappraisal within 45 days of disaster declaration unless FEMA has not completed its damage estimates by that date. The comptroller is given rulemaking authority. *Effective:Immediate effect*

HB 794 by King Repeal of Open-space rollback

This bill repeals Sec. 23.55, Tax Code, providing for rollback taxes on open-space (Subchapter D) agricultural land. Various sections are amended to conform. *Effective:9/1/19*

HB 821 by Leach J Information required to be included in or with a school district ad valorem tax bill.

Would amend Sec. 31.01, Tax Code, to require school tax bills to include information related to purchase of average daily attendance credits, if applicable. Effective 1/1/20

HB 827 Rose Exemption from ad valorem taxation of an improvement that is necessary to support the continued use or existence of a historic site.

Would amend Sec. 11.24, Tax Code to allow taxing units to exempt structures and land necessary to support exempted archeological or historic sites on same or adjacent parcel. Effective 1/1/20

HB 834 Hernandez. Authority of a county to adopt a land bank program.

Would add Chapter 388, Local Government Code, allowing counties to adopt a land bank program for affordable housing. Property to be sold for delinquent taxes could be sold to the land bank. Amends Sec. 11.18, Tax Code, to include acquiring, holding, and transferring unimproved real property under a county land bank program among charitable purposes. Effective 9/1/19.

HB 841 Bucy J Calculation of the rollback tax rate of a school district.

Would amend Sec. 26.08, Tax Code, to change the rollback rate calculation for schools that have had tax rates approved by election since 2006. Immediate effect.

HB 845 Lozano J Eligibility of property used for a water desalination project for ad valorem tax benefits under the Texas Economic Development Act.

Would amend Sec. 313.024, Tax Code, to add water desalination projects as an eligible use. Effective 9/1/19

HB 861 Anchia R Calculation of penalties and interest resulting from the final determination of an ad valorem tax appeal that changes a property owner's tax liability.

Would amend Sec. 42.42, Tax Code, to provide that penalty and interest on the unpaid portion of taxes due following an appeal only becomes due if the owner does not pay the unpaid portion by the delinquency date for the supplemental tax bill. Effective 9/1/19.

HB 878 Bell C Limitation on increases in the appraised value of real property for ad valorem tax purposes.

This bill amends Sec. 23.23, Tax Code, to extend the limitation on appraised value provided by that section to all real property. For property other than residence homesteads that is owned by two or more persons, the limitation expires on January 1 following the transfer of at least a 50% interest in the property. Various conforming and transition amendments are included. Effective 1/1/20, contingent on constitutional amendment.

HB 905 Bernal D Exemption from ad valorem taxation of the total appraised value of the residence homestead of an unpaid caregiver of an individual.

Would provide a total exemption for the homestead of a parent, grandparent, or legal guardian who acts as an unpaid caregiver for an individual who qualifies for specified Medicaid long term services and support. Makes various conforming amendments. Effective 1/1/20 contingent on constitutional amendment.

HB 913 Shaheen M Calculation of the ad valorem rollback tax rate of a taxing unit other than a school district.

Would amend Sec. 26.04, Tax Code, to substitute 1.04 for 1.08 in calculation of a taxing unit's rollback tax rate. Makes conforming amendments to Sec. 49.236, Water Code and repeals Sec. 49.2361. Transition provisions address units that have adopted rates before the effective date. Immediate effect.

HB 945 Metcalf W Limitation on increases in the appraised value of real property for ad valorem tax purposes.

This bill amends Sec. 23.23, Tax Code, to extend the limitation on appraised value provided by that section to all real property. For property other than residence homesteads that is owned by two or more persons, the limitation expires on January 1 following the transfer of at least a 50% interest in the property. Various

conforming and transition amendments are included. Effective 1/1/20, contingent on constitutional amendment.

HB 946 Metcalf W Limitation on increases in the appraised value of a residence homestead for ad valorem taxation.

This bill amends Tax Code Sec. 23.23 to provide that the homestead limitation is reduced from 10% to 5%. The bill applies to tax years on or after the effective date. Effective 1/1/20 contingent on constitutional amendment.

HB 948 Metcalf W Period for which certain land owned by a religious organization for the purpose of expanding a place of religious worship or constructing a new place of religious worship may be exempted

Would extend the exemption period for contiguous land held for expansion under Sec. 11.20 from six to ten years. Effective 1/1/20

HB 950 Lucio III Authority of an appraisal review board to determine the appraised value of property that is the subject of a protest to be an amount greater than the appraised value as shown in the appraisal records.

Would amend Sec. 41.47, Tax Code, to provide that the ARB may not increase appraised value above the amount shown in the appraisal records submitted to the board. Effective 1/1/20

HB 959 Johnson J Calculation of the rollback tax rate of a school district.

Would amend Sec. 26.08, Tax Code, to change the rollback rate calculation for schools that have had tax rates approved by election since 2006. Immediate effect.

HB 968 Gonzalez M Provision of funding under the foundation school program on the basis of property values that do not take into account optional homestead exemptions.

Amends Sec. 403.302, Government Code, to delete paragraph (d)(2), which currently includes one-half of the total amount of local option percentage homestead exemptions in school taxable value. Makes various conforming amendments. Effective 9/1/20

HB 994 Guillen R Procedures for protests and appeals of certain ad valorem tax determinations.

This bill amends Sec. 41.45(b) to require the chief appraiser and the ARB to review evidence and argument provided by affidavit before the protest of a hearing. The bill adds Subchapter B-1 to Chapter 42, providing for small claims appeals of ARB hearings. Subchapter B-1 is bracketed to apply only to a specific small county. The subchapter expires January 1, 2025. *Effective:9/1/2019*

HB 1032 Bohac D Limitation on the total amount of ad valorem taxes that taxing units may impose on the residence homesteads of individuals who are disabled or elderly and their surviving spouses.

This bill amends Sec. 11.26, Tax Code, to apply the limitation on taxes provided by that section to all taxing units. Various transition provisions address calculation of the limitation for those who qualified for the school tax or optional city/county tax limitations prior to 2020. Various statutes are amended to conform. *Effective:1/1/2020 Constitutional amendment passes HJR*

HB 1034 Bohac D Repeal of provisions requiring school districts to reduce their wealth per student to the equalized wealth level.

This bill repeals Chapter 41, Education Code. *Effective:9/1/19*

HB 1036 Beckley M Mandatory sales price disclosure in real property sales.

This bill would add Sec. 12.0013, Property Code, requiring that instruments conveying real property under a contract for sale disclose the sales price of the property. Would impose a penalty against the purchaser for each violation. Effective 9/1/19

HB 1050 Lucio III The procedure by which information required to be included in a notice of appraised value may be provided to a property owner by the chief appraiser of an appraisal district.

Would amend Sec. 25.19 to allow chief appraiser to provide five year percentage change, information relating to application for homestead exemptions, and copy of the comptroller's protest pamphlet by referring the owner to the district's internet website. Effective 1/1/20

HB 1056 Bohac D Exemption from ad valorem taxation of leased motor vehicles that are not held primarily for the production of income by the lessee.

Would amend Sec. 11.252, Tax Code, to allow exemption of vehicles leased to the state or to a 501(c)(3) exempt organization. Effective 9/1/2019

HB 1060 Bell C Authority of a property owner to request that notice of a protest hearing before the appraisal review board be delivered by certified mail or electronic mail.

Would amend Sec. 41.46 to allow an owner to request delivery of notice of an ARB hearing by certified mail. The ARB could require the owner to pay the postage cost. Alternatively, the owner may request delivery by electronic mail if the owner provides an email address. Sec. 1.085 is amended to provide that an owner need not make an agreement under than Section to request electronic delivery of the hearing notice. Eff. 9/1/19

HB 1062 Wray J Eligibility of the surviving spouse of an individual who is disabled to receive a limitation on the school district ad valorem taxes on the spouse's residence homestead.

Would amend Sec. 11.26, Tax Code, to provide that the surviving spouse of a disabled person who dies on or after January 1, 2013 is entitled to retain the disabled person's tax ceiling. The limitation for tax years 2013 – 2019 is calculated as if the survivor was entitled to the limitation when the disabled person died. However, the bill applies only to taxes imposed on or after the effective date. Effective 1/1/20 contingent on constitutional amendment.

HB 1077 White J School finance, supporting public education funding through an increase in the state sales and use tax rate, and requiring a reduction in school district maintenance and operation ad valorem taxes.

Would increase the state sales tax rate to 7.25% and allocate additional revenue to school districts. Recipient districts would be required to reduce their maintenance and operations tax rates to offset the additional revenues received. Effective 1/1/20

HB 1081 Raymond R Correction of an ad valorem tax appraisal roll and related appraisal records.

Would amend Sec. 25.25 to allow a correction for the current and two preceding tax years for an appraisal error resulting for an error or omission in the rendition. Would not apply to an owner who did not timely file the rendition or had a protest determination, or established the value for the year by written agreement. Applies to motions filed on or after the effective date. Effective 9/1/2019

HB 1090 Bell C Definition of first responder.

Would amend Sec. 421.095, Government Code, to include emergency response operators, dispatchers and other emergency response personnel to the list of "first responders." Effective 9/1/19

HB 1102 Bernal D Limitation on total amount ad valorem taxes

Would add Sec. 11.262, Tax Code, providing a school tax limitation for homesteads that have had the homestead exemption in effect for 15 consecutive years or more. If the school taxes imposed in the 15th year exceed taxes from the first year by 20% or more, school taxes in succeeding years can not exceed the least of: current year taxes as calculated; school taxes imposed in the 15th year; or school taxes as limited by the current Sec 11.26 tax ceiling. Increases in taxes prior to 2006 are excluded. The limitation passes to a surviving spouse. The limitation will increase if the owner makes new improvements, subject to some exceptions. Various conforming amendments are included. Effective 1/1/2020, contingent on constitutional amendment.

HB 1116 Wray J Limitations periods suits against real estate

Would add Sec. 16.013, Civ. Practice & Rem. Code, setting limitations periods for suits relating to an appraisal. Effective 9/1/19

HB 1148 Murphy J

Rate at which interest accrues on deferred taxes

Would amend Sec. 33.06(d), Tax Code, to change the interest rate on deferred taxes to the 5 year constant maturity Treasury rate. Amends Sec. 33.065(g), Tax Code, to conform. Effective 9/1/19.

HB 1166

Wrongful exclusion handgun license holders Anchia R 1/29

HB 1188 Hefner C

Appraisal land ad valorem tax purposes

Would add Sec. 23.54, Tax Code, providing that qualified land remains eligible for open space appraisal following a transfer of ownership to a relative within the 2nd degree by affinity or 3rd degree by consanguinity. The new owner must notify the CAD within 180 days of transfer. Would also add new paragraph (d-1) to Sec. 25.25, Tax Code. This would allow the ARB, on motion of the owner or chief appraiser, to reduce value of land for the two preceding years to its productivity value. Either party must provide clear and convincing evidence that the land received open-space appraisal in three of the preceding five years, the appraisal was canceled for failure to file a new application after change of ownership, the transfer was to a relative as described above, and the qualifying use continued. If the correction occurs, the owner must pay each taxing unit a penalty equal to 10% of the difference in taxes. The roll cannot be

HB 1194 Dutton H Low income housing for school district

Would add Sec. 11.1828, exempting property owned for the purpose of building qualifying low income housing from school taxes for up to three years. Different qualifying standards apply to rural and urban areas. The property must be located either in a municipal management district or within 1 mile of the campus of the school district. The section includes a rollback provision if property is sold, leased, or rented to a person who does not qualify. Makes other conforming amendments. Effective 1/1/20 contingent on constitutional amendment.

HB 1201 Raymond R Low income housing exemption

Would amend Sec. 11.18, Tax Code, to exempt property used to provide counseling services without regard to ability to pay and rental housing provided to low and moderate-income individuals and families at below market rates. Effective 1/1/2020.

HB 1213 Hefner C Agricultural Rollback Repeal

This bill repeals Sec. 23.55, Tax Code, providing for rollback taxes on open-space (Subchapter D) agricultural land. Various sections are amended to conform. Effective:9/1/19

HB 1229 Shaheen M Posting required notice by political

Would add Sec. 2051.151, Government Code, allowing political subdivisions to post newspaper notices on internet or social media websites rather than publish them in the newspaper. Immediate effect.

HB 1247 Ashby T Liability additional tax imposed on land

Would amend Sec. 23.46, Tax Code, to provide that rollback taxes on 1-d agricultural land that are imposed as a result of condemnation are the personal liability of the condemning entity. Effective 1/1/2019.

HB 1254 Murphy J Eligibility land secured by home equity loan 1/31

Would repeal Sec. 23.42(a-1), Tax Code. Effective 1/1/2020.

HB 1265 Bailes E Transfer limitation established by a county 1/31

Would amend Sec. 11.261, Tax Code, to allow the recipient of a tax limitation under that section to transfer it to a residence in a different city, county, or junior college district that provides for the limitation. Effective 1/1/2020 contingent on constitutional amendment.

HB 1299 Davis S requiring the comptroller of public accounts to establish and maintain a political subdivision disaster expenditure database.

Would add Sec. 403.0243, Government Code, to require the comptroller to maintain a database of disaster aid payments and expenditures by political subdivisions. Effective 9/1/19.

HB 1313 King P Relating to the authority of the chief appraiser of an appraisal district to increase the appraised value of property in the tax year following the year in which the appraised value of the property is lowered as a result of a protest or appeal.

Would amend Sec. 23.01(e), Tax Code, to change the evidence standard for increasing a previously reduced value from "substantial" to "clear and convincing." Effective 1/1/20

HB 1333 Krause M Administration the ad valorem tax system

Omnibus bill would provide for delivery of notices related to value increases or modifications or cancellations by email; prevent officers or employees of a taxing unit from serving on the board of directors; prevents CADs from employing officers or employees or taxing units; requires chief appraiser to keep and provide upon request a list of real estate brokers, agents, licensed appraisers, or registered tax consultants who will provide free assistance to homeowners; requires consideration of cosmetic defects in appraising property; requires notice to owner occupied residences that do not presently have homestead exemptions; requires separate notice of canceled or reduced exemption. Existing directors may complete terms. Effective 1/1/20

HB 1409 Ashby T Qualification of land appraisal for ad valorem 2/ 5

Would amend Sec. 23.72, Tax Code, to provide that roads, rights of way, buffer areas, firebreaks, or land subject to a right of way taken by eminent domain do not disqualify land for consideration as timber land, providing the remainder of the parcel qualifies. Would add Sec. 23.765, providing that oil and gas operations do not disqualify land if the remaining land continues to qualify. Makes conforming amendments to Subchapter H. Effective 9/1/2019.

HB 1414 Craddick Exemption for charities providing alcoholism support services

Would amend Sec. 11.18, Tax Code, to include providing a meeting place and support services for organizations that in turn provide assistance to alcoholics and their families without regard to ability to pay. Effective 1/1/2020.

HB 1444 Patterson, Jared Relating to the calculation of the ad valorem taxes imposed on real property on the basis of the lesser of the appraised value of the property or the average appraised value of the property over a specified time period.

Would add Sec. 26.095, Tax Code, requiring the assessor to calculate real property taxes on the basis of the lesser of the appraised value for the current year or the average appraised value for the preceding five years. The assessor excludes years in which the property value is at least 50 percent below the appraised value of the property in the preceding tax year. For properties that have lost a Sec. 23.23 cap, the assessor considers only years not subject to the cap. Transition provisions use three year and four year averages for 2020 and 2021 taxes, respectively. The 25.19 notice and the tax bill must contain information with respect to the average calculation. Effective 1/1/20, contingent on constitutional amendment (HJR 65)

HB 1484 Metcalf, Will(R) Relating to the selection of the board of directors of an appraisal district.

Would amend Sec. 6.03, Tax Code, to provide for a five person board of directors for the appraisal district, with one elected at large and one elected from each commissioners' precinct. The county assessor-collector would serve as a nonvoting member. Members would be elected at the general election for state and county officers and serve two year terms. Various conforming changes. Elected members would begin service on January 1, 2021. Various effective dates begin 9/1/19.

HB 1485 Metcalf, Will(R) Relating to the selection of the chief appraiser of an appraisal district.

Would amend Sec. 6.05, Tax Code, to provide that the chief appraiser is elected by voters of the county at the general election for state and county officers. Would require at least four years' residency to qualify. Various conforming amendments. Elected chief appraisers begin serving January 1, 2021, and existing chief appraisers serve until the elected person qualifies. Various effective dates begin 9/1/19.

HB 1486 Metcalf, Will(R) Relating to the selection and administration of an appraisal review board.

Would amend Sec. 6.41, Tax Code, to provide for a five member appraisal review board, with one member elected at large and one elected from each commissioners' precinct. Members would be elected at the general election for state and county officers and serve two year terms. Members could not serve more than four consecutive terms. The ARB could appoint auxiliary members as needed to hear protests and assist in performance of the board's duties. Various conforming changes. Elected members would begin service on January 1, 2021. Various effective dates begin 9/1/19.

Proposed Constitutional Amendments

HJR 13 by White J Dedication of revenues

Dedicates a portion of state Oil and Gas Tax Revenue to counties (HB 42)

HJR 15 by Raymond R Annual state budget

Provides for annual state budget and associated legislative session

HJR 16 by Raymond R Honesty in state taxation

Honesty in State Taxation (HB 150)

HJR 19 by Raymond R Exemption for caregivers homestead

Authorizes a local option homestead exemption for parents/guardian of disabled child (HB 160)

HJR 20 by Raymond R ADA exemption

Authorizes legislature to exclude from market value the value associated with improvements or features whose primary purpose is to comply with ADA accessibility design standards or any successors (HB 164)

HJR 23 by Miller R Surviving spouse homestead

Allows the legislature to exempt the homestead of a surviving spouse of a member of the armed services who was fatally injured in the line of duty. (HB 276)

HJR 24 by Geren C Cost of public school system

Requires the state to pay at least 50 percent of the cost of maintaining and operating the public school system (HB 462)

HJR 26 by Geren C Expansion of tax ceiling

Expands school tax ceiling to taxes levied by all political subdivisions (HB 322)

HJR 28 by Bohac D 5% homestead cap

Authorizes legislature to set the homestead cap as low as 5% (HB 383)

HJR 29 by Bohac D 100% exemption for 80 and above

Provides 100% homestead exemption for persons 80 and older and their surviving spouses. (HB 384)

HJR 30 by Burns D Unfunded mandates

Prohibits unfunded mandates for cities or counties.

HJR 31 by Murphy J Charter school exemption

Authorizes legislature to exempt property leased to a charter school. (HB 288)

HJR 33 by Shaheen M Homestead exemption for indigent care provider

Authorizes commissioners court to adopt up to 50% homestead exemption for certain physicians providing indigent medical care (HB 453)

HJR 34 by Shine H Disaster exemption

Authorizes the legislature to provide for exemption of disaster damaged property. (HB 492)

HJR 35 by Shine H Disaster exemption

Authorizes the legislature to provide for exemption of disaster damaged property and to spend state funds to reimburse taxing units for refunds.(HB 493)

HJR 38 by Leach J Personal income tax

Prohibition of personal income tax imposition

HJR 41 by Neave Disaster tax ceiling

Authorizes a temporary tax ceiling for disaster damaged property (HB 622)

HJR 44 by Leach J Severely disabled veteran

Authorizes a homestead exemption for severely disabled veteran (HB 716)

HJR 47 Bell C Expand cap to all real property

Authorize the legislature to limit the maximum appraised value of real property for ad valorem tax purposes. (HB 878)

HJR 48 Bernal D Caregiver's homestead exemption

Authorizing the legislature to exempt from ad valorem taxation the total assessed value of the residence homestead of an unpaid caregiver. (HB 905)

HJR 50 Metcalf W Real property cap

Authorize the legislature to limit the maximum appraised value of real property for ad valorem tax purposes.(HB 946)

HJR 51 Metcalf W Lower homestead cap

Authorize the legislature to set a lower limit on the maximum appraised value of a residence homestead for ad valorem taxation. (HB 946)

HJR 52 Lucio III Market value

Providing for the valuation of property for ad valorem tax purposes on the basis of its market value.

HJR 53 Bohac D Expand tax ceiling to all jurisdictions

Establishing a limitation on the total amount of ad valorem taxes that political subdivisions may impose on over-65 and disabled persons' homesteads.. (HB 1032)

HJR 54 Wray J Surviving spouse of disabled person homestead

Proposing to allow the surviving spouse of a person who is disabled to receive a limitation on the school district ad valorem taxes on the spouse's residence homestead. (HB 1062)

HJR 56 Bernal D Ad valorem taxes residence homestead

Would authorize tax limitation for property that has had a homestead exemption in effect for 15 years. (HB 1102)

HJR 58 Dutton H Ad valorem taxation

Would authorize exemption of proeprty held for purpose of building low income housing near a school district or in a municipal management district. (HB 1194)

HJR 60 Bailes E Ad valorem taxes residence homestead

Would authorize transfer of a city, county, or junior college tax limitation to a different residence homestead in a different county. (HB 1265)

HJR 65 Patterson, Jared Proposing a constitutional amendment authorizing the legislature to provide for the assessment of ad valorem taxes on real property on the basis of the lesser of the appraised value.

Would authorize real property valuation based on five year average. (HB 1444)

Senate Bills

SB 2 by Bettencourt. Omnibus property tax reform

Omnibus bill jointly filed in house (HB 2). Would include Property Tax Administration Advisory Board appointed by comptroller; minimum hours for ARB training; Arbitrator training course and manual; requirement for CAD to appraise in accordance with comptroller manuals; comptroller prescribed truth in taxation forms; modifications to comptroller database of tax rates; comptroller review of compliance with appraisal manual by CAD, ARB survey; office of tax notices established by the chief appraiser; appointment of tax notice officer by chief appraiser; permitting CAD board member to transmit written complaint about specific property appraisal without comment; special ARB panels for complex property in large counties; extends nepotism prohibition for ARB to other members of ARB; restores term limits for ARB members in large counties; administrative district judge appoints the chair and secretary of the ARB; majority concurrence by panel or ARB sufficient for action; Moves rendition deadline to April 1; requires determination of value according to comptroller manuals; moves appraisal notice deadline to April 15 for all property; inclusion of special panel information in appraisal notice; changes name of effective tax rate to “no-new-revenue” rate; redefines small taxing unit; changes rollback rate calculation to allow 2.5% increase in effective M&O rate, with exceptions; requires use of state rate calculation forms; changes deadline for submission of rates to governing body to July 22 and establishes July 27 deadline for publication of rates. Requires tax notice officer to mail or email new tax notice by July 22 to all property owners; limits anticipated collection rate; allows unit with any territory in a disaster area to use small taxing unit (8% increase) rollback rate calculations for 5 years or until taxable value exceeds value before disaster; requires adoption of rate that will exceed rollback rate before August 15; prohibits public hearing until 14 days after rate data has been entered in real time database; revises requirements for notice of public hearings; requires posting of notices on website if published in a newspaper; revises notices for meeting to vote on proposed rate and requires posting on unit’s website; makes ratification election mandatory for cities and counties that adopt rates in excess of the rollback rate; provides for ratification elections to be held on the November general election date; requires posting of rate calculation forms on county website; provide for real time tax database operated by the tax notice officer of the CAD; taxing unit officials enter rate calculation information to the website. Requires each taxing unit to maintain or have access to a website and to post certain information on the website concerning members of the governing body, tax rates, and budget; repeals taxing unit challenge based on appraisal level; changes deadline for ARB approval of the appraisal records to July 5; includes various administrative provisions related to special panels; requires notice of ARB hearing to include subject matter; revises chief appraiser’s notice concerning advance copies of evidence; forbids charging for copies of evidence requested; authorizes delivery of advance copies of evidence by reference to a website in addition to mail or electronic transfer; prohibits ARB from increasing appraised value above the amount submitted with the appraisal records; requires ARB to issue order within 15 days of hearing; allows agent to file multiple request for same day consecutive hearings on up to 20 properties; allows consecutive scheduling of all protests filed by an owner or the owner’s designated agent, with restrictions; prohibits offering previously requested evidence that was not delivered 14 days in advance through documents, argument, or testimony; prohibits Sunday hearings or hearings starting after 7 PM; requires arbitrators to complete training courses; deletes requirement that arbitrators reside in the county, subject to objection by the property owner. Makes conforming amendments to various Codes and Laws. It appears a water district ratification is mandatory, but the rollback percentage remains at 8%. Various effective dates.

SB 58 Zaffirini Exemption of motor vehicles leased to state or charitable organization.

Would amend Sec. 11.252, Tax Code, to allow exemption of vehicles leased to the state or to a 501(c)(3) exempt organization. Effective 9/1/2019

SB 67 by Nelson Various changes to protests and appeals

This bill provides for a property tax administration advisory board appointed by comptroller; Sets specific hours for ARB training; Provides for fee for nonmember attendance; Provides for comptroller training of arbitrator and arbitration manuals; Modifies requirements for ARB survey; Makes ARB relative ineligible for appointment to ARB; Modifies ARB term limits in large counties; Local administrative judge selects ARB chairman and secretary in all counties ; Panel decision by majority; Subject matter included in notice of protest; Notice of hearing by certified mail to property owner if requested in protest; Requires chief appraiser to deliver evidence she “will” present upon request; Prescribes mode of delivery for evidence; Prohibits raising value above submitted record amount; Requires determination of protest and issuance of order within 15 days after hearing; Extends two hour wait time postponement to agent represented accounts; Scheduling of consecutive hearings for up to 20 hearings for of an owner or agent and multiple requests; Consecutive scheduling of all of an owner or agent’s protests at ARB option, with restrictions; Written document evidencing ARB signature on ex parte affidavit; Prohibition on offering undelivered evidence; Prohibition on Sunday and late evening hearings. *Effective:1/1/2020*

SB 118 by West Extends Chap 312 Tax Code until 2029

This bill amends Sec. 312.006, Tax Code, to extend the expiration date of chapter 312 until 2029
Effective:Immediate

SB 129 by Hinojosa Expands definition of first responder for purposes of surviving spouse exemption

This bill amends Sec. 11.134, Tax Code, to add individuals listed under Art. 2.122(a), Code of Criminal Procedure, Customs and Border Patrol Agents, and immigration enforcement and deportation officers of Homeland Security to the definition of eligible first responders. Other portions of the statute are amended to conform. Survivors of the added individuals must be residents of the state at the time of the responder’s death to qualify. *Effective:1/1/2020 if Constitutional amendment passes*

SB 135 by Nichols, R Adds prior use requirement for ecological laboratory open-space land

This bill amends Sec. 23.51(1) to require that land used principally as an ecological laboratory must have been used principally in that manner by the college or university for five of the preceding seven years to qualify for agricultural appraisal. Applies to appraisal on or after effective date. *Effective:1/1/2020*

SB 196 by Campbell Exemption for survivor of armed forces member fatally injured or killed in line of duty

Amends Sec. 11.133 by substituting “killed or fatally injured in the line of duty” for “killed in action.” This will expand the scope of the exemption. *Effective:1/1/2020 if Constitutional amendment passes*

SB 202 by Huffman Mandatory disaster reappraisal

Amends Sec. 23.02 to make disaster reappraisal mandatory for property that FEMA deems to have had 5% or greater damage. The owner may refuse reappraisal. Chief appraiser must complete 45 days after governor’s declaration or as soon as possible after FEMA completes estimates. Comptroller is given rulemaking authority.. *Effective:Immediate effect*

SB 211 by Flores, Pete Justice Court appeals (bracketed)

This bill amends Sec. 41.45(b) to require the chief appraiser and the ARB to review evidence and argument provided by affidavit before the protest of a hearing. The bill adds Subchapter B-1 to Chapter 42, providing for small claims appeals of ARB hearings. Subchapter B-1 is bracketed to apply only to a specific small county. The subchapter expires January 1, 2025. *Effective:9/1/2019*

SB 283 by Buckingham

Amends Sec. 140.011(a)(2) Loc Gov’t Code to change the definition of local government to include a municipality partially or totally located in a county in which a US military installation is located.
Effective:9/1/19

SB 328 by Seliger

This bill amends Sec. 31.01, Tax Code, to require a school district tax bill to contain specified information related to the purchase attendance credits under Subchapter D, Chapter 41, Education Code, or the percentages of revenue derived from state and local funds respectively. *Effective:1/1/2020*

SB 335 by West Community Land Trust

This bill amends Sec. 373B.003, Loc. Gov't Code, to include a wholly owned limited partnership or limited liability company as an eligible land trust owner. Sec. 11.1827 is amended to provide that an exemption adopted under that section continues until rescinded by the governing body. Sec. 23.21 is amended to separately address appraisal of land and improvements. For land and for improvements rented to a family under specified restrictions, the chief appraiser must use the income method as described by Sec 23.012 in appraising the property, and take into account the property's uses, limitations, and lease terms, and use the same capitalization rate used for other rent restricted property. For housing sold under a deed restriction meeting specified requirements, the chief appraiser may not appraise the house at more than the amount for which it may be sold under the restriction. Other sections are amended to conform. *Effective:9/1/19*

SB 343 by Watson School tax bills

This bill amends Sec. 31.01 to require a school tax bill to indicate what portions of the tax will be paid to the state to fund other school districts if the school district is purchasing daily attendance credits under Chapter 41. A tax bill for a school district receiving Chapter 42 assistance must indicate what portions of the school district's revenue are funded by the state. The bill specifies how these amounts are computed and reflected on the tax bill. *Effective:1/1/20*

SB 347 Flores P Eligibility for service on the board of directors of an appraisal district.

Would amend Sec. 6.03, Tax Code to provide that only elected members of the governing bodies of taxing units entitled to vote on the appointment of CAD board members would be eligible to serve on the CAD board. The county assessor collector could continue to serve as a nonvoting director. Those serving on the effective date may complete their terms. *Effective 9/1/19*

SB 350 Powell Expiration of the Property Redevelopment and Tax Abatement Act.

Would repeal Secs. 312.006 and 320.001, Tax Code, deleting expiration dates. Immediate effect.

SB 410 Hughes B Franchise tax credit for ad valorem taxes paid by a taxable entity on certain inventory.

Would amend Chapter 171, Tax Code, to provide a franchise tax credit equal to the amount of property taxes a qualified owner pays on an inventory held for sale at retail. The credit cannot exceed the amount of franchise tax due. *Effective 1/1/20*

SB 411 Hughes B Appraisal for ad valorem tax purposes of tangible personal property held for sale at retail.

Would provide for the appraisal of retail inventory on the basis of annual sales in substantially the same manner as motor vehicle dealer inventory. However, for the first nine years the bill is in effect, the market value will be the greater of market value determined under the new method or a percentage of value determined under Sec. 23.23 (90% in the first year, dropping to 10% in 2028). Unlike other forms of dealer inventory, the bill does not provide for monthly reports or prepayments of taxes. A retailer is defined as a person who holds inventory for sale at retail, with certain exceptions for banks and similar entities. Rendering the inventory under Chapter 22 disqualifies the retailer for the year. *Effective 1/1/20*.

SB 412 Hughes B Franchise tax credit based on the ad valorem taxes paid by a taxable entity on certain inventory.

Would provide a franchise tax credit for a retailer equal to the difference between the property taxes the retailer pays and the amount it would pay if the value of its inventory were appraised under a dealer inventory method that resulted in a lower tax amount. The comptroller determines the difference with the assistance of the chief appraiser. *Effective 1/1/20*

SB 434 Hinojosa C Effect of a sale of property on the tax lien on the property to secure the payment of ad valorem taxes, penalties, and interest imposed on the property.

Would amend Sec. 11.43, Tax Code, to provide that a tax lien on erroneously exempted property cannot be enforced if at any time during the year in which the property is back assessed, the owner sells it in an arms-length transaction to someone who is not a relative within the first degree. Effective on approval of constitutional amendment

SB 443 Hancock K Five year homestead exemption for uninhabitable property

Would amend Sec. 11.135 by adding new (a-1) to provide that the two year period for retaining the homestead on uninhabitable property is extended to five years if the property is located in a disaster area declared by the governor and the property is uninhabitable or unusable because of the disaster. Immediate effect.

SB 449 Creighton testimony by an appraisal district employee as to the value of real property in certain ad valorem tax appeals.

Would repeal Sec. 42.23(i), Tax Code, which would otherwise take effect January 1, 2020. That section would prefer testimony by a CAD employee holding a TALCB license.

SB 453 Creighton Reappraisal for ad valorem tax purposes of property damaged in a disaster.

This bill amends Sec. 23.02 to mandate reappraisal of property damaged in a disaster, if located in a disaster area declared by the governor. The owner may refuse reappraisal. The chief appraiser must complete the reappraisal within 45 days of disaster declaration. The comptroller is given rulemaking authority. *Immediate effect*

SB 474 Hancock K Eligibility land secured by home equity loan

Would repeal Sec. 23.42(a-1), Tax Code. Effective 1/1/2020.

SB 484 Menendez J Limitation on total amount ad valorem taxes

Would add Sec. 11.262, Tax Code, providing a school tax limitation for homesteads that have had the homestead exemption in effect for 15 consecutive years or more. If the school taxes imposed in the 15th year exceed taxes from the first year by 20% or more, school taxes in succeeding years can not exceed the least of: current year taxes as calculated; school taxes imposed in the 15th year; or school taxes as limited by the current Sec 11.26 tax ceiling. Increases in taxes prior to 2006 are excluded. The limitation passes to a surviving spouse. The limitation will increase if the owner makes new improvements, subject to some exceptions. Various conforming amendments are included. Effective 1/1/2020, contingent on constitutional amendment.

SB 492 Alvarado C Disaster recovery and tax limitation

Would amend Sec. 23.23(g), Tax Code to expand the definition of disaster recovery program to include any program funded with community development block grant disaster recovery authorized by federal law. Effective 1/1/2020

SB 540 Kolkhorst Five year homestead exemption for uninhabitable property

Would amend Sec. 11.135 by adding new (a-1) to provide that the two year period for retaining the homestead on uninhabitable property is extended to five years if the property is located in a disaster area declared by the governor and the property is uninhabitable or unusable because of the disaster. Immediate effect.

SB 547 Watson K Charitable organization low-income housing 1/31

Would extend the expiration of an exemption under Sec. 11.181, Tax Code from the fifth to the 10th anniversary of the date the organization acquired the qualifying property. Immediate effect.

SB 555 Schwertner Liability for additional tax imposed on land 1/31

Would amend Sec. 23.46, Tax Code, to provide that rollback taxes on 1-d agricultural land that are imposed as a result of condemnation are the personal liability of the condemning entity. Effective 1/1/2019.

SB 565 Campbell D Authority to waive jobs creation in Chapter 313

Would repeal Sec. 313.025(f-1), Tax Code. Effective 9/1/19

SB 596 Buckingham Protests before appraisal review boards

Would amend various portions of Chapter 41, Tax Code, to prohibit charging fees in connection with protests; require a CAD to inform an owner if offering a comparable property that has been protested; and prevent the ARB from increasing an appraised value unless by agreement. Effective 1/1/2020.

SB 597 Buckingham Prohibition on fees for protests

Would amend Sec. 41.41, Tax Code, to prevent imposition of a fee in connection with a protest. Immediate effect.

SB 598 Buckingham Authority appraisal review board to raise value

Would amend Sec. 41.47, Tax Code, to prevent the ARB from increasing an appraised value unless by agreement. Effective 1/1/20

SB 599 Buckingham Use information concerning the value of comparable properties

Would amend Sec. 41.43 to require a CAD to inform an owner if offering a comparable property that has been protested as evidence. Effective 9/1/19

SB 600 Buckingham Voter approval proposed ad valorem tax rate

Would provide for mandatory election to ratify a taxing unit tax rate that exceeds its rollback tax rate. Modifies various deadlines and requires units exceeding the rollback tax rate to adopt their rates by August 15. Does not change rollback calculation or provide for real time tax database. Effective 1/1/2020.

SB 635 Flores P Procedures protests appeals ad valorem tax

This bill amends Sec. 41.45(b) to require the chief appraiser and the ARB to review evidence and argument provided by affidavit before the protest of a hearing. The bill adds Subchapter B-1 to Chapter 42, providing for small claims appeals of ARB hearings. Subchapter B-1 is bracketed to apply only to counties with populations under 120,000. The subchapter expires January 1, 2025. *Effective:9/1/2019*

SB 657 Creighton Limitation on increases the appraised value

Would amend Sec. 23.23, Tax Code, to reduce the limitation on increases in value of residence homesteads from 10% per year to 3% for properties valued at less than \$1 million and 5% for properties valued at more than \$1 million. Effective 1/1/20 contingent on constitutional amendment.

SB 660 Kolkhorst Relating to the calculation for purposes of recapture under the public school finance system of the taxable value of property of a school district affected by a disaster.

This bill modifies recapture provisions for certain school districts affected by disaster. Effective 9/1/2019

SB 662 Campbell D Availability personal information

Amends Sec. 25.025, Tax Code, to conform previous amendments and to add a state officer elected statewide or a member of the legislature to the list of those who may require the CAD to keep their information confidential.

SB 689 Paxton, Angela Relating to the repeal of provisions requiring school districts to reduce their wealth per student to the equalized wealth level.

This bill repeals Chapter 41, Education Code. *Effective:9/1/19*

SB 701 Nichols, Robert Relating to the qualification of land for appraisal for ad valorem tax purposes as timber land or restricted-use timber land.

Would amend Sec. 23.72, Tax Code, to provide that roads, rights of way, buffer areas, firebreaks, or land subject to a right of way taken by eminent domain do not disqualify land for consideration as timber land, providing the remainder of the parcel qualifies. Would add Sec. 23.765, providing that oil and gas operations do not disqualify land if the remaining land continues to qualify. Makes conforming amendments to Subchapter H. Effective 9/1/2019.

Constitutional Amendments

SJR 10 by Buckingham Unfunded mandates

Eliminates unfunded mandates for cities or counties.

SJR 23 by Fallon Personal Income Tax

This resolution would amend the constitution to prohibit a personal income tax, replacing the current prohibition found in Art. VIII Sec. 24.

SJR 31 Hinojosa C Effect of sale of property on tax lien

Would authorize the legislature to waive tax lien enforcement on erroneously exempted property sold in an arms-length transaction. (SB 434)

SJR 33 Menendez J Ad valorem taxes resident homestead

Would authorize tax limitation for property that has had a homestead exemption in effect for 15 years. (SB 484)

SJR 36 Buckingham Appraisal district restrictions

Would amend Art. VIII, Sec. 18 to prevent CADs or ARBs from charging fees for protests.