

## Final Legislative Report for the 85<sup>th</sup> Legislature Regular and First Called Session

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By Sands Stiefer

This summary of bills passed in the 85<sup>th</sup> legislative session is prepared by Olson & Olson for the benefit of local government officials and staff. All bills passed during the regular session; no property tax legislation passed in the first called session.

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### **HB 150 by Bell** *Changes to donated homestead veteran exemption*

This bill amends Sec. 11.132, Tax Code, to extend the exemption to a homestead that was donated to the veteran by a charity at some cost to the veteran. Cost could be cash, mortgage, or both, but cannot exceed 50% of the good faith estimate of the market value of the homestead made by the organization as of the date of the donation. Effective Date: 1/1/2018, if Const Amendmt passes

### **HB 217 by Canales** *Extends tax deferral to holder of disabled veteran's exemption*

This bill amends Sec. 33.06, Tax Code, to provide that a person qualified for the disabled veteran or survivor exemption (Sec. 11.22) may defer taxes on the person's homestead. Effective Date: 9/1/2017

### **HB 455 by Metcalf** *Allow property owner to present argument to ARB by telephone*

This bill amends Sec. 41.45, Tax Code, to provide that an owner may appear before the ARB by a combination of affidavit and telephone. The owner must provide evidence by affidavit and may appear by telephone to offer argument. To appear, the owner must notify the ARB in the notice of protest or in a separate notice filed no later than the 10th day before the hearing. The ARB may propose to hold a hearing by phone and do so if the owner agrees. If an owner elects a telephone hearing the ARB must provide a number for the owner to call. The board must hold the hearing at a telephone equipped location. The equipment must allow the board and others present to hear the argument. The owner is responsible for conferencing in another person if the owner invites one. The owner does not waive the right to personally appear by electing telephone hearing. Applies for protests filed on or after the effective date. Effective Date: 9/1/17

### **HB 457 by Holland** *Peace officer's spouse and adult child home address confidential*

This bill amends Sec. 25.025(a)(1), Tax Code, to provide that a spouse, a surviving spouse, and an adult child of an eligible current or former peace officer to have their home address information kept confidential. C.S.H.B. 457 differs from the original in minor or nonsubstantive ways by conforming to certain bill drafting conventions. Effective Date: 6/15/17

### **HB 626 by Workman** *Extends late homestead application deadline by one year*

This bill amends Tax Code Sec. 11.431 to extend the late application deadline for residence homestead exemptions under Sec. 11.13, 11.131, 11.132, and 11.133 from one year after delinquency to two years after the delinquency date for the taxes in question. The chief appraiser must notify the collector for each unit not later than 30 days after the application is approved. The collector must pay the refund, if applicable, not later than the 60th day after the date the collector is notified. Sec. 11.439 is amended to extend the deadline for applying for the disabled veterans' exemption under Sec. 11.22 to five years after the delinquency date for the taxes in question. The chief appraiser must notify the collector for each unit not later than 30 days after the application is approved. Changes apply for exemptions filed for 2016 and later tax years. SIGNED BY THE GOVERNOR Effective Date: 9/1/17

### **HB 777 by Ashby** *Ag appraisal continued for member of armed forces deployed out of state.*

This bill adds Tax Code Sec. 23.523, Tax Code, which provides that land owned by a member of the armed services doesn't lose eligibility for agricultural appraisal because of failure to meet degree of intensity standards, if the member is deployed or stationed outside the state, intends to resume using the land to the appropriate degree of intensity within 180 days of ceasing to be deployed outside the state, and notifies the appraisal district of those facts within 30 days after the date the owner is deployed or stationed. A transition provision provides the same protection for land on which the chief appraiser has not yet made a change of use decision if the owner is deployed on the effective date of the bill and notifies the appraisal district by the 90th day after the effective date. Effective Date: 5/23/2017

### **HB 804 by Dale *Notice and protest deadlines for lessee obligated to reimburse taxes***

This bill amends Sec. 41.413, Tax Code, dealing with protests by lessees who are obligated by the lease or other contract to reimburse a property owner for taxes. Paragraph (d) is amended to require the property owner to send the lessee a copy of the appraisal notice within 10 days after receipt of the notice. New Paragraph (e) allows the lessee under a contract to request the chief appraiser to send the lessee the duplicate notice. If so, the chief appraiser must either send the duplicate within 5 days of sending the notice to the owner or post the appraised value of the property on the district website within five days of sending the notice to the owner. Effective Date: 9/1/17

### **HB 1101 by Pickett *Reapplication for 100% DAV Homestead Exemption***

This bill adds subsection (r) to Sec. 11.43, Tax Code. Subsec. (r) provides that the chief appraiser may not require a person who has a permanent total disability determined by the Department of Veterans Affairs under 38 CFR Sec. 4.15 to file a new application for a Sec. 11.131 exemption. Effective Date: 1/1/2018

### **HB 1278 by Dutton**

This bill adds a current or former district attorney, criminal district attorney, or county or municipal attorney whose jurisdiction includes any criminal law or child protective services matters to the list of individuals who can have their information redacted from the tax rolls. Effective 9/1/17

### **HB 1346 by Button *Heavy Equipment Inventory***

This bill amends Sec. 23.1242, Tax Code to change the deadline for filing inventory tax statements to the 20th day of the month rather than the 10th. Effective Date: 9/1/17

### **HB 2019 by King *Manufactured Home Inventories***

This omnibus bill relating to manufactured home regulation amends Sec. 23.127 to conform definitions of manufactured home inventory and to provide that the chief appraiser must, when a retailer files a declaration, appraise that retailer's inventory only as inventory and not as individual personal property. Effective Date:

### **HB 2228 by Murphy *Deadlines***

This bill amends Sec. 11.4391, Tax Code, to set the late application deadline for a Freeport exemption application as not later than June 15. Sec. 21.09 is amended to require filing an allocation application before April 1 or the 30th day following receipt of notice if the property was not on the roll in the preceding year. The application deadline may be extended up to 30 days on written showing of good cause to the chief appraiser. Sec. 22.23 is amended to make before April 1 the deadline to file rendition statement and property report for property located in a CAD in which any unit grants the Freeport exemption. The chief appraiser must extend the deadline to May 1 on written request and may extend the deadline an additional 15 days on written request for good cause. Statements and reports for PUC, RRC, FSTB or FERC regulated property must be delivered not later than April 30 unless otherwise provided by Sec. 22.02. The chief appraiser may grant a 15 day good cause extension. Sec. 41.44 is amended to set the protest filing deadline at not later than May 15 or as otherwise provided. Sec. 41.11 is amended to conform. Effective Date: 1/1/18

### **HB 2989 by Bonnen *Refund to owner who paid the tax***

This bill amends Sec. 26.15, Tax Code, to specify that a refund related to a correction that reduces tax liability after tax payment is paid to the owner who paid the tax. Effective Date: 5/26/2017

### **HB 2999 by Bonnen *Medical center exemption for auxiliary uses***

This bill amends Sec. 11.23 (j-1), Tax Code, to extend the medical center development exemption to property owned by a qualifying non-profit that is used for research and for auxiliary uses to support their functions, including invention, development, and dissemination of medical and scientific research tools, technologies, materials, and processes. The

subsection may not be construed to exempt real, personal, leasehold, or possessory interests of for profit lessees of property for which a non-profit is entitled to exemption under the subsection. Effective Date: 1/1/18

**HB 3103 by Darby *Definition of continually***

This bill amends Sec. 11.01, Tax Code, to provide that property is considered to be used continually if used three or more times on regular routes or for three or more assignments in close succession throughout the year. Close succession means in sequence within a short period at intervals throughout the year. Effective Date: Immediate or 9/1/17

**HB 3198 by Darby *No Rollback due to oil and gas operations***

This bill amends Sec. 23.55, Tax Code, to provide that a rollback tax will not be imposed if a change of use results from a lessee conducting oil and gas operations under a lease over which the RRC has jurisdiction under Sec. 81.051, Natural Resources Code (the RRC has jurisdiction over all oil and gas wells, drilling and operation in Texas under this section). Effective Date: 9/1/17

**HB 3389 by Schofield *Special master fees***

This bill amends Sec. 33.73 to clarify that the district clerk collects and awards the fee to the special master regardless of the disposition of the suit. However, fees may not be collected or awarded in a suit dismissed by the master unless the master held at least one hearing or prepared for a number of hours typically required to conduct a hearing. Effective Date: 9/1/17

**HJR 21 by Bell *Authorize changes to donated property exemption for veterans***

This resolution amends 1-b(l), Article VIII, authorizing a homestead exemption for property donated to a veteran, to include property donated for less than the market value of the property. Various non-substantive changes to number and letter designations are included. NOVEMBER BALLOT Effective Date: 11/7/17

**SB 15 by Huffines *Total homestead exemption for surviving spouse of first responder killed in line of duty***

This bill adds Sec. 11.134, Tax Code, providing a total exemption for the residence homestead of the surviving spouse of a first responder killed or fatally injured in the line of duty. First responders are defined as those listed in Chapter 615.003, Gov't Code (Chapter 615 provides for financial assistance to first responders' survivors). Surviving spouse is the individual married to the responder at the time of the responder's death. The surviving spouse must not have remarried. The exemption applies regardless of the date of the respondent's death. The surviving spouse may transfer the dollar amount of the exemption to a subsequently acquired homestead. The chief appraiser provides a written certificate giving the information necessary to calculate the amount of the exemption on the first home. Sec. 11.42(c) is amended to provide that the exemption is effective as of January 1 of the year in which the person qualifies and applies for the entire year. Sec. 11.43 is amended to provide for one-time application. Sec. 11.431 is amended to provide that late application may be filed without penalty until one year following the delinquency date for taxes on the home. Sec. 26.10(b) is amended to provide for proration of taxes on a survivor's home if the survivor qualifies a different home during the same year. Sec. 26.112 is amended to conform; Sec. 403.302, Gov't Code, is amended to provide that a home exempt under Sec. 11.134 is not considered taxable property for the purposes of the comptroller's property value study. Effective Date: Effective 1/1/18 contingent on passage of constitutional amendment

**SB 42 by Zaffirini *Confidentiality of judge's home address***

This bill amends Sec. 25.025, Tax Code to make the home address of a federal or state judge, or the spouse of one of these, beginning on the date the office of court administration of the Texas Judicial Review System notifies the appraisal district that the judge has qualified. Effective Date: 9/1/17

**SB 256 by Taylor *Family violence home address***

This bill amends Sec. 25.025(a), Tax Code, to provide that victims of family violence, sexual assault, abuse, stalking, or trafficking of persons must provide either a copy of a protective order or other independent documentary evidence to show that they are victims. The bill also adds participants in the attorney general's address confidentiality program who provide proof of certification under Art. 56.84, Code of Criminal procedure. Effective Date: 5/19/2017

**SB 277 by Campbell *Limits on abatements for wind facilities near military installations***

This bill adds Sec. 312.0021 and amends Sec. 313.024, Tax Code, to provide that installation or construction of a wind powered energy device within 30 nautical miles of a military aviation facility makes the land on which it is installed ineligible for abatement (312.0021) or school district tax limitation (313.024). The amendments apply to agreements entered into on or

after September 1, 2017, and only to installation or construction of a wind powered device on or after that date. A military aviation facility is defined as a base, station, fort, camp, auxiliary airfield, or range at which a branch of the US military (Army, Navy, Marine Corps, Coast Guard) or a branch reserve conducts aviation operations or training. The bill applies to tax years 2018 forward. Effective Date: 1/1/2018

**SB 492 by West *Use of private collection agency by county tax assessor collector***

This bill amends Sec. 130.006, Loc. Gov't Code, to allow a county assessor-collector's procedures for hot checks and dishonored credit card invoices to include referral to a private collection agency. The collection agency may charge the taxpayer a fee equal to the amount authorized by Sec. 118.011. Effective Date: Immediate or 9/1/17

**SB 510 by Zaffirini *Confidential home address for employees of state or federal judge***

This bill amends Sec. 25.025(a) to add current and former employees of a state or federal judge to the list of individuals who may direct the appraisal district to keep their home address confidential. Effective Date: 5/27/17

**SB 594 by Creighton *Approval of agricultural appraisal manuals***

This bill amends Sec. 23.52 and 23.73, Tax Code, to provide that comptroller agricultural and timber manuals must be approved by the comptroller with the review and counsel of the department of agriculture. Effective Date: 1/1/18

**SB 622 by Burton *Budget detail***

This bill adds Sec. 140.0045, Local Government Code, requiring a political subdivision's proposed budget to include easily comparable line items for expenditures on required newspaper notices. Effective Date: Immediate or 9/1/17

**SB 731 by Bettencourt *Arbitration threshold raised to \$5 million***

This bill amends Sec. 41A.01, Tax Code, to increase the maximum value of property eligible for arbitration from \$3 million to \$5 million. The amendments apply to arbitrations filed on or after January 1, 2018.

The bill amends Sec. 41A.03 to provide for a filing fee of \$1,250 for non homestead properties valued at more than \$3 million and less than \$5 million. The amendments apply to arbitrations filed on or after January 1, 2018.

Sec. 41A.06 is amended to provide an arbitrator's fee of not more than \$1,200 for a \$3-\$5 million property and substitutes "sales agent" for "salesperson". The amendments apply to arbitrations filed on or after January 1, 2018. Effective Date: 1/1/18

**SB 945 by Bettencourt *Correction for erroneously denied exemption***

This bill amends Sec. 25.25(b) to allow the chief appraiser to correct erroneous denial or cancellation of disabled or over-65 exemptions, surviving spouses' exemptions, and 100% disabled and disabled veteran exemptions. Effective Date: Immediate or 9/1/2017

**SB 1047 by Creighton *Installment payments***

This bill amends and reenacts Sec. 31.031, Tax Code to conform Subsec. (a) to Acts 2013, 83rd Leg., R.S., Ch. 122, Sec. 7. Sec. 31.032 is amended to provide that an eligible person may pay taxes in four installments if the first installment is paid and the required notice provided before the first day of the first month following the delinquency date. Effective Date: 1/1/18

**SB 1133 by Hinojosa *Exemption of Navigation District Property***

This bill adds Sec. 60.005, Water Code, which provides that the property of a navigation district is public property used for public and governmental purposes, and that the district and its property are exempt from all state and political subdivision taxes and special assessments. Effective Date: Immediate or 9/1/17

**SB 1286 by Bettencourt *Comptroller rulemaking on evidence; arbitrator removal***

This bill amends Sec. 41.45, Tax Code, to require electronic evidence submitted in a protest to comply with comptroller rules for form and manner of submission. The rule must include security requirements and specifications for the audiovisual equipment provided for an owner's uses. Sec. 41A.061 is amended to require the comptroller to remove a person from the comptroller's arbitrator registry if the comptroller determines by clear and convincing evidence that there is good cause, including evidence of repeated bias or misconduct while acting as an arbitrator. The comptroller appoints the arbitrator. Language concerning selection by the parties is deleted. To be eligible, an arbitrator must reside within the county or within the state if no available arbitrator resides in the county. A person is not eligible to arbitrate if within the preceding five years they have represented a person under the Tax Code for compensation, served as an employee or officer of the appraisal district, or served as a member of the ARB of the appraisal district, in the appraisal district where the property is located. The comptroller may not appoint an

arbitrator if the comptroller determines there is good cause not to do so. Secs. 41A.07(a) and (b) are repealed. Effective Date: 9/1/17

**SB 1345 by Watson *Tax Preparation Services Exemption***

This bill amends Sec. 11.18(d), Tax Code, by specifying that providing tax return preparation services and assistance without regard to the beneficiaries' ability to pay is one of the activities that a qualified charitable organization may perform. Effective Date: 1/1/18

**SB 1459 by Hinojosa *Pest treatment under agreement not a change of use***

This bill adds Sec. 23.524, Tax Code, to provide that land in a pest management zone does not lose its eligibility for agricultural appraisal if the owner ceases using it principally for agriculture because the owner destroys, removes, or treats citrus trees for pests under an agreement with the Texas Citrus Management Corporation, the Commissioner of Agriculture, or the US Department of Agriculture. The protection expires on the fifth anniversary of the date the agreement is executed, and the owner must notify the chief appraiser of the execution of the agreement. If the owner doesn't fully comply with the agreement, the change of use is considered to occur as of the date the agreement is executed. Effective Date: Immediate or 9/1/17

**SB 1767 by Buckingham *ARB procedures***

This bill amends 25.25 and 41.66, Tax Code, to provide that in a hearing, a property owner who is a party may elect to present a case before or after the appraisal district presents its case. Applies to motions and protests filed on or after the effective date. Effective Date: 1/1/18

**SB 2242 by Hinojosa *Suit regarding overlapping taxing unit boundaries***

This bill is bracketed to affect very few counties. It provides for an original suit in the supreme court to resolve overlapping boundary disputes and for Sec. 25.25 Corrections to address the result. Effective Date: Immediate or 9/1/17

**SJR 1 by Campbell et al *Authorize homestead exemption for survivor of a first responder***

This resolution amends Sec. 1(b), Article VIII, authorizing the legislature to provide for an exemption of all or part of the value of the residence homestead of a surviving spouse of a first responder killed in the line of duty. The surviving spouse must remain unmarried. The legislature may define first responder and prescribe additional eligibility requirements. The legislature is also authorized to provide for the transfer of the dollar amount of an exemption to a subsequently qualified homestead. The exemption is not self-enacting. Applies only to tax years on or after January 1, 2018 NOVEMBER BALLOT Effective Date: 11/7/17