



Texas Property Tax

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Texas Property Tax Law Changes 2007

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Property Tax Bills: 80th Texas Legislature

This document briefly summarizes changes in property tax laws made in the regular session of the 80th Texas Legislature and lists those changes according to the order in which they appear in the Tax Code. Other property tax related legislation follows.

Unless indicated, the changes in the Tax Code and other property tax related laws apply to all appraisal districts and taxing units (cities, counties, school districts and special purpose districts).

Legal interpretation of the law changes must be provided by attorneys representing appraisal districts and taxing units. We hope the following information is helpful.

TITLE 1. TAX CODE. PROPERTY TAX

CHAPTER 6. LOCAL ADMINISTRATION

Section 6.02

House Bill (HB) 1010 amends subsection (a) concerning appraisal district boundaries for legislative cleanup purposes. The bill also repeals language in subsection (b) and replaces it with language providing the board of directors of two or more adjoining appraisal districts are not precluded from providing for the operation of a consolidated appraisal district by interlocal contract. HB 1010 repeals subsections (c), (d), (e), (f) and (g) relating to overlapping appraisal districts. Effective Jan. 1, 2008, unless two or more appraisal districts consolidate offices, in which case the effective date is Sept. 1, 2007.

Section 6.025

HB 1010 repeals this section relating to Overlapping Appraisal Districts and joint procedures. Effective Jan. 1, 2008.

Section 6.05

HB 35 amends subsection (d) to prohibit the chief appraiser's compensation from being directly or indirectly linked to an increase in market, appraised or taxable value of property in the appraisal district. The bill applies only to budgets adopted by the board of directors on or after the effective date. Effective May 25, 2007.

Section 6.052

HB 3038 adds subsection (e) to provide that neither the chief appraiser nor any person who performs property tax appraisals for the appraisal district may be appointed as the appraisal district taxpayer liaison. Effective Sept. 1, 2007.

Section 6.06

Senate Bill (SB) 948 adds a new subsection (k) to give the appraisal district board of directors the option of waiving penalty and interest on delinquent payments made by the taxing unit for its cost allocations if good cause is shown. The waiver applies to delinquent payments made on or after the effective date of the Act. Effective May 14, 2007.

Section 6.15

HB 402 adds a new Section 6.15. The addition addresses penalties for ex parte communication between members of the appraisal district board of directors and the chief appraiser. The chief appraiser and board members commit an offense if they directly or indirectly communicate with the other on any matter relating to the appraisal of property in the district. The penalty for ex parte communication between a member of the board and/or the chief appraiser is a Class C misdemeanor. There are exceptions for open meetings and the board's discussion with its attorney regarding litigation in which the chief appraiser's presence is necessary. It is not considered ex parte if the communication is a routine communication between the chief appraiser and the county assessor-collector that relates to the administration of an appraisal roll, including communications in connection with the certification, correction or collection of an account, regardless if the county assessor-collector was appointed to the board of directors or serves as a nonvoting member. Effective Sept. 1, 2007.

CHAPTER 11. TAXABLE PROPERTY AND EXEMPTIONS**Section 11.11**

SB 812 amends subsection (i) to require a non-profit organization to be primarily engaged in providing chilled water and steam in order to meet the exemption qualification requirements. Effective Jan. 1, 2009.

Section 11.14

HB 1928 amends Section 11.14 to provide that certain trailer-type units designed primarily for use as temporary living quarters in connection with recreational, camping, travel, or seasonal use are not included in the definition of "structure" and are exempt from ad valorem taxation. Effective Jan. 1, 2009.

Section 11.18

HB 1742 adds new subsections to Section 11.18 of the Tax Code (Charitable Organizations) to include organizations acquiring, holding, and transferring unimproved real property under an urban land bank demonstration program established under Chapters 379C and 379E of the Local Government Code, as or on behalf of a land bank. Effective Sept. 1, 2007.

Section 11.182

SB 426 adds subsection (j) to provide that an exemption under subsection (b) or (f) doesn't end because of a change in the property's ownership if the property is sold at a foreclosure sale and the owner of the property provides evidence to the chief appraiser that the property is owned by an organization that meets the requirements of subsection (b)(1), (2), and (4), within 30 days after the sale date. The exemption would continue to apply until the owner ceases to qualify the property. The chief appraiser may require a new application as provided by Section 11.43(c). The bill also makes technical changes to subsection (j). Effective June 15, 2007.

Section 11.1825

HB 3191 amends subsection (s) to provide that, unless the governing body of a taxing unit described in the subsection provides otherwise, the exemption amount for property described by subsection (f)(1) is 50 percent of the appraised value of the property. The bill adds subsection (s-1) to provide that the exemption for property qualified under subsection (f)(2) is 100 percent of the property's appraised value. Subsection (v) is amended to provide that property described in (f)(1) and located in a taxing unit that is described in the section may be exempted only after the exemption is approved by the taxing unit's governing body. Effective Jan. 1, 2008.

Section 11.253

HB 621 amends Chapter 11 by adding new Section 11.253, which creates a new exemption for tangible personal property in transit. An owner cannot claim this exception and the freeport exemption in the same year. Goods-in-transit are defined as tangible personal property that meets each of the following requirements:

- (1) is acquired in or imported into this state to be forwarded to another location in this state or outside this state;
- (2) is detained at a location in the state (the owner of the property may not have a direct or indirect ownership interest in the location) to be used, either by the person who acquired or who imported the property, for one of the following purposes;
 - (a) assembling,
 - (b) storing,
 - (c) manufacturing,
 - (d) processing, or
 - (e) fabricating

- (3) is transported to another location in this state or outside this state not later than 175 days after the date the person acquired the property in or imported the property into this state; and
- (4) that does not include oil, natural gas, petroleum products, aircraft, dealer's motor vehicle inventory, dealer's vessel and outboard motor inventory, dealer's heavy equipment inventory, or retail manufactured housing inventory.

In general, the exemption is determined by calculating the percentage of the market value of the personal property used to produce income in the preceding calendar year that was contributed by goods-in-transit. That percentage is applied to the current year value of all of the owner's personal property used to produce income. For the first year, goods-in-transit percentage is determined as if the exemption had applied in the preceding year.

The value of the goods-in-transit is determined by applying the resulting percentage to the market value of the owner's tangible property used to produce income. The cost of equipment, machinery, or materials that entered into and became component parts of the goods-in-transit, but were not themselves goods-in-transit or that were not transported within the required 175 days, is excluded. To determine if component parts held in bulk were transported by the 175-day limit, the chief appraiser is permitted to use the average length of time during the preceding year that a component part was held, by its owner, at a location that the parts owner did not own or control. If the exemption applies for only part of the year, the percentage is calculated for the portion of the year in which the owner was engaged in transporting goods-in-transit in the manner required by the bill to qualify for the exemption.

When the usual calculation method results in an exemption amount that significantly overstates or understates the value of the goods-in-transit, the amount is the Jan. 1 value of the goods-in-transit (excluding the cost of certain property that became component parts of the goods-in-transit, but that were not themselves goods-in-transit), according to owner's records and other information. The chief appraiser may, in writing, require the owner to produce copies of records necessary to determine whether the property meets the exemption qualifications. If the owner does not provide the requested information on or before the 30th day after the written request was delivered, the owner forfeits the right to claim the exemption for that year. Effective Jan. 1, 2008.

Section 11.253

HB 1022 is the implementing legislation for House Joint Resolution (HJR) 54. The bill adds a new section to Chapter 11 to create a property tax exemption for one personally-owned passenger car or light truck that is used for both business and personal activities. The bill provides that the exemption does not apply to a vehicle used to transport passengers for hire. A person who has been granted or applied for a motor vehicle exemption may not apply for another exemption unless his or her application has been denied. Effective Jan. 1, 2007 if the voters pass HJR. 54, and applies to the 2007 tax year.

Section 11.26

HB 5/Senate Joint Resolution (SJR)13 adds three new subsections. The amendment gives the legislature the authority to provide for a reduction of the limitation on the total amount of property taxes imposed for school purposes on the residence homesteads of the elderly or disabled to reflect any reduction in the rate of school district taxes for the 2006 and 2007 tax years. HB 5 contains two reduction provisions. One reduction is for property owners qualifying for their school tax ceiling in 2006. The other reduction is for property owners who qualified for their school tax ceiling prior to 2006.

For those who qualified for their school tax ceiling in 2006, the law requires the collector to multiply the amount of the taxes imposed in 2006 by a fraction. The numerator in this fraction is the school's 2007 tax rate. The denominator in this fraction is the school's 2006 tax rate. Added to this amount is any tax imposed in the 2007 tax year which is attributable to improvements made in the 2006 tax year plus the lesser of: 1) the fraction computed above or 2) the amount of tax the district imposed on the homestead in the 2006 tax year.

For those who qualified for their school tax ceiling prior to 2006, the collector multiplies the taxes imposed in 2005 by a fraction. The numerator of this fraction is the school's 2006 rate. The denominator is the school's 2005 rate. Added to this amount is any tax imposed in 2006 on improvements made in 2005 plus the lesser of: 1) the fraction computed above or 2) the amount of tax the district imposed on the homestead in the 2005 tax year.

The collector then multiplies this amount by another fraction. The numerator of this fraction is the school's 2007 rate. The denominator is the school's 2006 rate. Then, the lesser amount (the fraction or the taxes improved for improvements) is added to any tax imposed in the 2007 tax year attributable to improvements made in the 2006 tax year. Effective for the 2007 tax year.

Section 11.31

HB 3732 adds a new subsection (k) concerning Pollution Control Property to require the Texas Commission on Environmental Quality, formerly the Texas Natural Resource Conservation Commission, to adopt rules establishing a list of facilities, devices, or methods for control of air, water and land pollution.

The list of facilities must contain: Coal cleaning or refining facilities; atmospheric or pressurized and bubbling or circulating fluidized bed combustion systems and gasification fluidized bed combustion combined cycle systems; ultra-supercritical pulverized coal boilers; flue gas recirculation components; syngas purification systems and gas-cleanup units; enhanced heat recovery systems; exhaust heat recovery boilers; heat recovery steam generators; superheaters and evaporators; enhanced steam turbine systems, methanation, coal combustion or gasification byproduct and coproduct handling, storage or treatment facilities; coal cleaning or drying processes such as coal drying/moisture reduction, air jiggling, precombustion, decarbonization, and coal flow balancing technology; oxy-fuel combustion technology, amine or chilled ammonia scrubbing, fuel or emission conversion through the use of catalysts, enhanced scrubbing technology, modified combustion technology such as chemical looping and cryogenic technology; if the United States Environmental Protection Agency adopts a final rule or regulation regulating carbon dioxide as a pollutant, property that is used, constructed, acquired, or installed wholly or partly to capture carbon dioxide from an anthropogenic source in this state that is geologically sequestered in this state; fuel cells generating electricity using hydrogen derived from coal, biomass, petroleum, coke, or solid waste; and any other equipment designed to prevent, capture, abate, or monitor nitrogen oxides, volatile organic compounds, particulate matter, mercury, carbon monoxide, or any criteria pollutant. Effective Sept. 1, 2007.

Section 11.43

HB 3514 amends subsection (m) to provide an additional source for the appraisal district to check to determine if a residence homestead should be automatically qualified for an over-65 homestead exemption. The bill requires the Texas Department of Public Safety to provide driver's license records, personal identification certificate records, or certain identifying information contained in those records, other than a social security number or accident or conviction information, to each appraisal district to assist chief appraisers in determining a person's eligibility for residence homestead exemptions from property taxes. In addition to its own records, an appraisal district must also check information provided by the Texas Department of Public Safety. A technical change adds new subsection m-1. Effective June 1, 2007.

Section 11.432

HB 1460 amends subsection (a) and (b) to provide that the application for a manufactured home homestead exemption need not be accompanied by the currently required documentation, unless a copy of the current title page for the home appears on the Web site of the Department of Housing and Community Affairs. The appraisal district may rely on the computer records of the Department of Housing and Community Affairs' Web site to determine if a manufactured home qualifies for homestead under Section 11.13. Subsection (b) provides that the owner of a manufactured home is entitled to obtain a homestead exemption regardless of whether it has been designated as real or personal property on the appraisal roll. Effective Jan. 1, 2008.

CHAPTER 21. SITUS**Section 21.02**

HB 2982 amends subsection (e) to permit the owner of certain portable drilling rigs that were not in one taxing unit for the year preceding Jan. 1 to choose where the owner wishes to be taxed. The owner may choose between the owner's principal place of business or the taxing unit in which the property is located on Jan. 1. If the owner does not render to the appraisal district in which the property was located on Jan. 1, situs is the owner's principal place of business. If the owner chooses to render any of this property to the CAD in which the rig is located on Jan. 1 when the rig would otherwise be taxable at the owner's principal place of business, all of the owner's rigs are taxable by the taxing units in which each rig is located on Jan. 1. If the owner does not have a principal place of business, situs is in the taxing unit in which the property is located on Jan. 1. Effective Jan. 1, 2008.

CHAPTER 22. REPORTS AND RENDITIONS**Section 22.01**

HB 1022 amends subsection (k) to conform to other changes made by the bill. Effective Jan. 1, 2007, and applies to 2007 tax year.

Section 22.01

HB 264 adds subsection (1) to state that a taxpayer whose most recent rendition for a prior year continues to be accurate may comply with the law by checking a box on the rendition form that indicates that the information contained in the taxpayer's most recent rendition statement filed for a prior year continues to be complete and accurate. Effective Jan. 1, 2008.

Section 22.24

HB 264 amends subsection (c) to require the Comptroller to include on each rendition form a check box that permits a taxpayer to affirm that the information contained in the taxpayer's most recent rendition filed for a prior tax year continues to be complete and accurate. Effective Sept. 1, 2007.

HB 264 also requires the Comptroller to prescribe or approve the forms no later than Jan. 1, 2008 in order to conform with subsection (c). Effective date requiring a rule change is Sept. 1, 2007. The effective date of the bill's rendition provisions is Jan. 1, 2008.

CHAPTER 23. APPRAISAL AND ASSESSMENT**Section 23.175**

HB 2982 amends subsection (a) to change the manner in which a real property interest in oil or gas in place is appraised if the appraisal method takes into account the future income from the sale of oil or gas produced from the interest. The bill amends subsection (a) to require the Comptroller to calculate the "market condition factor" by using a formula specified in the new law. The law defines "price" for purposes of calculating this factor. The Comptroller is required to calculate and publish certain elements used in the appraisal of oil and gas concurrently with the statewide average prices of oil and gas forecasted for revenue estimating purposes. The price of the interest used in the second or later calendar year of the appraisal must be the same percentage rate change in the price as that projected by the Comptroller for revenue estimating purposes. Effective Jan. 1, 2008.

Section 23.23

HB 438 is the implementing legislation for HJR 40. The bill amends subsections (a) and (e). If the constitutional amendment passes, the cap on increases in the appraised value of residential homestead property will be amended to provide that the increase in the appraised value of the property may not be larger than the property's market value or the sum of 10 percent of the appraised value of the property for the preceding year, the appraised value of the property for the preceding tax year, and the value of new improvements. Effectively, the limited value is no longer 10 percent multiplied by the number of years since the property was last appraised — the percentage is calculated based on the preceding year's appraised value. Effective Jan. 1, 2008, if the voters pass HJR 40.

Section 23.225

HB 604 repeals Section 23.255 concerning the appraisal of land included in a habitat preserve and subject to conservation easement. This is a conforming amendment. Effective Jan. 1, 2008.

Section 23.25

HB 3630 adds a new Section 23.25 concerning the appraisal of land used as a single-family residence and is contiguous to land qualified for agricultural appraisal. The new section applies only to a parcel of land that is used for a single-family residence, contiguous to a parcel of land owned by the person (or a close relative or affiliated legal entity) that qualifies for agricultural appraisal under either Section 1-d or 1-d-1. This land must be appraised by determining the price that both parcels of land would sell for if sold as combined parcels of land and attribute a portion of that amount to the parcel of land being appraised based on the proportion that the size of the parcel being appraised bears to the size of the single combined parcel of land. If the appraisal relies on comparable sales, no sales of land within a municipality may be used. Effective Jan. 1, 2008.

Section 23.42

HB 3630 adds a new subsection (a-1) to prohibit land that is secured by an equity loan from qualifying for 1-d agricultural appraisal. Effective Jan. 1, 2008.

Section 23.48

HB 967 adds a new Section 23.48 to require the reappraisal of 1-d qualified land that is subject to quarantine for ticks. The bill requires, on the owner's request, a reappraisal of land qualified for agricultural appraisal that is subject to a temporary quarantine of at least 90 days. The reappraisal is for the tax year in which the owner makes a written request for reappraisal. The appraisal must take into account as an additional factor the effect on the value of the land caused by the infestation of ticks. The reappraised value may not exceed the lesser of the market value of the land or one-half of the original appraised value of the land for the current tax year. The owner is not required to pay for the reappraisal — it is paid for by the taxing units that tax the land. The bill requires proration of the taxes on reappraised land. If the quarantine

remains on the land in subsequent years the appraisal must take the quarantine into account. A 10 percent penalty is imposed on the difference between the taxes imposed on the property in the year it erroneously allowed and the taxes that would have otherwise been imposed if the owner does not notify the appraisal district when the land is no longer subject to the quarantine. Effective June 15, 2007.

Section 23.51

HB 604 amends subdivisions (1) and (7) and adds a new subdivision (8). The bill adds two new uses to the definition of "wildlife management." Both new uses qualify without regard to the use of the land in previous years. The first new use is actively using land to protect federally listed endangered species under a federal permit. To qualify under this provision, the land also must be included in a habitat preserve and subject to a conservation easement created under the Natural Resources Code or part of a conservation development under a federally approved habitat conservation plan that restricts the land's use to protective federally listed endangered species. The second new use is actively using land for conservation or restoration projects to provide compensation for natural resource damages pursuant to specified federal laws. New subdivision (8) provides a source for definitions of specific terms used in the bill. Effective Jan. 1, 2008.

HB 3630 amends subsection (a) to change the definition of agricultural use by providing that land left idle for participation in a governmental program is used for agriculture only if it is not used for residential purposes or for a purpose that is inconsistent with agricultural use. The amendment also provides that land is still in agricultural use if cover crops are planted for purposes of normal crop or livestock rotation. Effective Jan. 1, 2008.

Section 23.521

HB 604 amends subdivision (b) to conform with changes made by the bill to Section 23.51. Effective Jan. 1, 2008.

Section 23.60

HB 967 adds a new Section 23.60 to require reappraisal of land qualified for open space appraisal (except land used for wildlife management) that also is subject to a temporary quarantine for ticks. The bill requires, on the owner's written request, a reappraisal of land qualified for agricultural appraisal that is subject to a temporary quarantine of at least 90 days. The reappraisal is for the tax year in which the owner makes a written request for reappraisal. The appraisal must take into account as an additional factor the effect on the value of the land caused by the infestation of ticks. The reappraised value may not exceed the lesser of the market value of the land or one-half of the original appraised value of the land for the current tax year. The owner is not required to pay for the reappraisal — it is paid for by the taxing units that tax the land. The bill requires proration of the taxes on reappraised land. If the quarantine remains on the land in subsequent years the appraisal must take the effect of the quarantine into account. A 10 percent penalty is imposed on the difference between the taxes imposed on the property in the year it erroneously allowed and the taxes that would have otherwise been imposed, if the owner does not notify the appraisal district when the land is no longer subject to the quarantine. Effective June 15, 2007.

CHAPTER 25. APPRAISAL**Section 25.025**

HB 41 amends subsection (a) to add federal and state judges to the list of persons who may choose to withhold from disclosure to the public certain personal information held by the appraisal district. The bill adds subsection (a-1) to define the terms federal judge and state judge. Effective Sept. 1, 2007.

HB 1141 amends subsection (a) to add current or former peace officers to the list of persons who may choose to withhold from disclosure to the public certain personal information held by the appraisal district. The bill also adds current or former employees of a district attorney, criminal district attorney, or county or municipal attorney whose jurisdiction includes criminal law or child protective services matters to this list. Effective June 15, 2007.

Section 25.07

HB 316 amends subsection (b) to amend the current provision that states that a leasehold may not be listed if it is owned by a county and is part of a public transportation facility and meets other specific requirements set forth in the subsection. Currently, this type of leasehold may not be listed if an incorporated city or town owns the property. The bill provides that a leasehold may not be listed if it is in property that is part of a rail facility owned by a rural rail transportation district created or operating under certain Texas laws. The bill makes other non-substantive changes. Effective Jan. 1, 2008.

HB 387 amends subsection (b) to delete language relating to the Texas National Research Laboratory Commission. Effective June. 1, 2007.

Section 25.17

HB 1010 amends subsection (a) for clean-up purposes concerning property with overlapping taxing unit boundaries and amends subsection (b) to require chief appraisers to coordinate their appraisals for property that is located partially inside the boundaries of more than one appraisal district, for each portion of the property, to ensure that the property as a whole is appraised at its market value. Effective Jan. 1, 2008, unless two or more appraisal districts consolidate offices, in which case the effective date is Sept. 1, 2007.

Section 25.19

HB 3496 amends subsections (a) and (g) to provide that the chief appraiser must deliver both the short and long 25.19 notice for single-family residential property by April 1 or as soon as practicable, and changes the delivery date for both notices on all other property from May 15 to May 1. Effective Jan. 1, 2008.

HB 3036 adds a new subsection (b-2). The subsection applies only to a 25.19 notice on property used for a residence that is not qualified for a homestead exemption. If the owner's address is the same as the address of the property, the 25.19 notice must contain a boldfaced 12-point-type notice that the property may qualify for a residence homestead exemption and how to obtain an exemption application. An application for a homestead exemption must be sent with the notice. The bill specifies the language to be used on the notice. Effective Jan. 1, 2008.

CHAPTER 26. ASSESSMENT/TRUTH-IN-TAXATION**Section 26.01**

SB 1405 amends subsection (e) and adds subsection (f) to provide that if a county or municipality notifies the chief appraiser that it does not want the estimate of taxable value of property in the taxing unit that subsection (e) requires be submitted by the CAD by June 7, or assistance in determining values that subsection (e) requires, the chief appraiser does not have to provide the estimate or the assistance. Effective Jan. 1, 2008.

Section 26.012

HB 621 amends subdivision (15) to add the new goods-in-transit exemption to the definition of “lost property levy.” Effective Jan. 1, 2008.

Section 26.045

HB 3732 amends subsection (f) pertaining to rollback relief for pollution control to conform to other changes made by the bill. The bill amends subsection (a), (c), (d), and (e) to change the name of Texas Natural Resource Conservation Commission to the Texas Commission on Environmental Quality. Effective June 15, 2007.

Section 26.05

HB 3167 amends subsection (a) to correct references to other statutes. Effective Sept. 1, 2007.

Section 26.06

HB 3495 amends subsection (d) to change the title and make major changes in the contents of the “Notice of Vote On Tax Rate.” The notice will be called “Notice of Tax Revenue Increase.” Effective Jan. 1, 2008.

HB 3630 amends subsection (b) to make major changes in the language and information that appears on the “Notice of Public Hearing on Tax Increase.” Subsection (d) is amended to make substantial changes to the name and contents of the “Notice of Vote On Tax Rate.” The notice will be called a “Notice Of Tax Revenue Increase.” The contents of the notice will be the same contents required by HB 3495. Effective Jan. 1, 2008.

CHAPTER 31. COLLECTIONS**Section 31.01**

HB 923 amends subsection (a) and adds a new subsection (i-1) to provide that if a tax assessor mails a tax bill to a mortgagee of a property, the assessor is not required to mail a copy of the bill to any mortgagor or mortgagor’s authorized agent. Effective Sept. 1, 2007.

HB 3496 adds a new subsection (d-2), which applies only to school districts and only in connection with taxes imposed in 2007. In addition to the other information required by the section, the tax bill or separate statement must state separately the following: 1) the amount of tax that would be imposed if the district’s M & O rate for 2005 was applied to current total value for 2007; 2) the amount of tax that would be imposed by applying the district’s 2007 M & O rate for 2007 to the 2007 current total value and; 3) the amount by which the first amount exceeds the second amount. This amount must be labeled “Estimate of school district maintenance and operations property tax savings attributable to House Bill No. 1, Acts of the 79th Legislature, 3rd Called Session, 2006, and appropriations of state funds by the 80 Legislature.” Effective Jan. 1, 2008.

Section 31.03

SB 796 amends subsection (b) and added (d) and permits the governing body of a taxing unit that meets the statutory population and location requirements and that has its taxes collected by another taxing unit that has adopted split payments to provide by official action that the split payment option does not apply to that specific taxing unit. Effective June 15, 2007.

Section 31.072

HB 1460 adds a new subsection (i) to require the collector to establish an escrow account for a taxpayer of a manufactured home if requested and the account is to be used solely to provide for property taxes collected on the property owner’s manufactured home. Effective Jan. 1, 2008.

Section 31.11

HB 1210 amends subsection (c) and adds subsections (c-1) and (h) to provide that the governing body of a taxing

unit may grant a one-time, two-year extension to the usual three-year deadline for an application for a refund, if the taxpayer shows good cause. The bill specifically states that this section does not apply to an overpayment caused by a change of exemption status or correction of a tax roll. These overpayments are covered by either Section 26.15 or 42.43 of the Tax Code, as applicable. Effective June 15, 2007.

CHAPTER 32. TAX LIENS AND PERSONAL LIABILITY

Section 32.03

HB 1460 amends subsection (a-1) to provide that a tax lien may be recorded any time, but not later than six months after the end of the year for which the tax is owed. A recorded lien may not be enforced against the owner of a new manufactured home who acquired the manufactured home from a retailer in the ordinary course of business. Subsection (a-2) is amended to provide that a person cannot transfer ownership of a manufactured home until all properly recorded tax liens have been paid and any personal property taxes on the manufactured home have been paid at least 18 months before the date of the sale. Subsection (b) is amended to provide that a tax collector cannot use a tax warrant to foreclose on a manufactured home unless a tax lien has been timely filed and recorded with the Texas Department of Housing and Community Affairs. Subsection (c) is added to provide that a tax collector must accept payment for a given year as designated by the taxpayer for payment. Subsection (d) is added to provide that if a manufactured home is omitted from the tax roll for either or both of the two preceding tax years, the taxing unit may file a tax lien within the 150-day period following the date on which the tax becomes delinquent. Subsection (e) is added to address the calculation of and escrow process for collecting estimated taxes on a manufactured home. The collector must give notice that the amount is an estimate based on the most recent appraisal and the new owner might be liable for payment of the difference if the actual taxes are more. Effective Jan. 1, 2008.

Section 32.06

SB 1520 amends subsection (a-1), (a-2), (a-3), (b) – (d), (f), (i), and (k) and adds subsection (1-4), (b-1), (c-1), (d-1), (f-1), (f-2), (f-3), and (k-1) concerning the transfer of tax

liens. The bill applies when a property owner authorizes another person to pay taxes imposed by a taxing unit on the owner's real property and requires an additional item on the sworn document that must be filed with the collector for the taxing unit. The additional item is a statement that notice has been given that if the owner is 65 years old or disabled, they may be entitled to a tax deferral. The bill provides that a tax lien may be transferred to the person who pays delinquent taxes or non-delinquent taxes, if the property is either not subject to a recorded mortgage, or a tax lien transfer has been executed and recorded, for one or more prior years on this property and the owner has properly authorized a transfer of delinquent and non-delinquent tax liens. If this is the case, the collector must certify the transfer of the lien for all the taxes in one document. When the tax lien is released, the transferee must file a release with the county clerk and send a copy to the collector. The transferee has specified duties regarding the transferred property. The bill contains several requirements that are relevant only to a transferee or a tax lien transfer, including the right of redemption. The bill requires the Texas Finance Commission to prescribe the form and content of the disclosure statement and adopt rules on the reasonableness of closing costs, fees, and other permissible charges. Effective Sept. 1, 2007.

Section 32.065

SB 1520 amends subsection (b), (c), and (d), to specify that Sec. 32.06 (c) (2) governs the foreclosure of transferred tax liens and changes some of the required elements of the contract between a transferee and a property owner. Subsection (g) concerning a transferee's affidavit is repealed. Effective Sept. 1, 2007.

CHAPTER 33. DELINQUENCY

Section 33.011

SB 1063 amends subsection (a) and (d) to provide an additional circumstance under which a taxing unit's governing body may waive penalties and interest on a delinquent tax. Penalties and interest may be waived if the taxpayer attempted to pay the tax by mail before the delinquency date and mailed the payment to an incorrect address that in a tax year was the correct address, the payment was mailed to the incorrect address within one year of the date that the address ceased to be the correct address and the taxpayer paid the tax within 21

days after the date the taxpayer knew or should have known about the delinquency. Effective June 15, 2007.

Section 33.045

SB 456 amends subsection (a) to state that a notice to persons 65 and older, concerning their right to a property tax deferral, must appear on all communications from a tax assessor, collector, or attorney threatening a lawsuit to collect delinquent taxes on property that may qualify as a residence homestead. Current law requires this notice on all such communications, regardless of the type of property against which delinquent taxes are assessed. Effective Sept. 1, 2007.

Section 33.21

HB 1910 adds a new subsection to allow the seizure of a person's personal property for the payment of property taxes before they become delinquent if the tax collector discovers the property is about to be sold in a liquidation sale in connection with the closing of a business. Effective Sept. 1, 2007.

Section 33.58

HB 1899 adds Section 33.58 to provide an alternative notice of foreclosure for parcels in certain municipalities only. In the municipalities specified by the bill, a petition for foreclosure is sufficient if it substantially complies with Section 33.43 and alleges the grounds for invoking the new section. A court is required to approve a motion under Section 33.57(d) if the supporting documents show grounds for invoking the new section. If a taxing unit's petition includes multiple parcels, on the taxing unit's request, the order of sale must provide that the property is to be sold *in solido*. If the sales officer must sell the parcels *in solido* under this section, the officer must follow one of two new calculation provisions in the new section to calculate the minimum bid amount under Section 33.50(b) or (c). If multiple parcels are sold *in solido* under this section, the amounts prescribed by Section 34.21 that must be paid to redeem an individual parcel must be equal to the taxes, penalties, interest, and attorney's fees against that individual parcel. This section expires Sept. 1, 2017. Effective Sept. 1, 2007.

CHAPTER 41. LOCAL REVIEW

Section 41.12

HB 538 adds a new subsection (c) to provide that the appraisal district board of directors for a county with a population of 1,000,000 or more, by resolution, may postpone the July 20 deadline for the ARB to approve the appraisal records and perform other specified functions to not later than Aug. 30, or provide that the ARB may approve the records if the sum of the appraised values of all properties on which a protest has not yet been determined does not exceed 10 percent of the total appraised value of all taxable properties. Effective Jan. 1, 2008.

Section 41.41

HB 3496 amends subsection (a) to conform to other changes made by the bill. Effective Jan. 1, 2008.

Section 41.411

HB 3496 amends subsection (c) to provide that the delinquency date set by Section 42.08(b) for property subject to a protest under this section is postponed to the 125th day after the date that one or more taxing units first delivered written notice of the taxes due on the property, as determined by the Appraisal Review Board (ARB) in a hearing under a new subsection added to Section 41.44, subsection (c-3). Effective Jan. 1, 2008.

Section 41.43

HB 3024 amends subsection (a) and adds subsections (a-1) and (a-2). New subsection (a-1) increases the CAD's burden of proof in certain protests on property that has a market or appraised value of \$1 million or less, for which the property owner properly submits an appraisal that meets specific statutory requirements. The property owner must file the appraisal with the ARB and deliver a copy of the appraisal to the chief appraiser not later than the 14th day before the scheduled protest hearing date. The appraisal must meet the following requirements: It must support the owner's assertion of value and be performed not more than 180 days before the hearing by an appraiser certified under Chapter 1103 of the Occupations Code. The appraisal is not valid unless it is attested to before an officer authorized to administer oaths, and attestation includes the following elements: 1) the appraiser's name and business address; 2) a

description of the property; and 3) statements of the value as of Jan. 1 of the tax year, that the value was determined as required by Chapter 23 and that the appraisal was performed in accordance with the Uniform Standards of Professional Appraisal Practice. If all of these prerequisites are satisfied, the ARB must find in favor of the property owner, unless the CAD proves its assertion of value by clear and convincing evidence. This burden of proof is higher than the current burden of proof, which is a preponderance of the evidence. The bill also amends the Penal Code to provide that it is a Class B misdemeanor to perform this particular appraisal for a contingency fee. Effective Sept. 1, 2007.

Section 41.44

HB 3496 amends subsection (a) to provide that the owner of a single-family residence must file a protest before May 1 or not later than the 30th day after the date the 25.19 notice was delivered, unless another date set by law applies. The bill amends subsection (c) to conform to other changes made by the bill. Effective Jan. 1, 2008.

HB 3496 adds subsection (b-1) to provide that, notwithstanding the date set in amended subsection (a) for a single-family residence owner to file a protest, the owner of a single-family residence is entitled to a protest hearing and determination of the protest if the owner files a protest after the deadline, but before the ARB approves the records, and before June 1. Effective Jan. 1, 2008.

HB 3496 adds subsection (c-3) to provide that a property owner who files a Section 41.411 protest on or after the date the taxes become delinquent, but not later than the 125th date after the date the property owner claims (in the protest) to have first received written notice of the taxes, is entitled to a hearing on the issue of whether the taxing units timely delivered the owner's tax bill. If the ARB determines that all of the taxing units failed to timely deliver the owner's tax bill, the board must determine the date on which at least one taxing unit first delivered notice. The delinquency date is postponed to the 125th day after that date. Effective Jan. 1, 2008.

Section 41.45

HB 538 amends subsection (e) to provide that a person who is not represented by an agent is entitled to one postponement of the hearing without showing cause. The board may grant more postponements if the owner or owner's agent show reasonable cause for the postponement. Reasonable cause is not defined. The number of days that the hearing may be postponed is increased to not more than 30 days after the date scheduled for the hearing when the postponement is sought, unless another date is agreed to between the parties. A postponement request may be made in almost any manner: writing, fax, e-mail, telephone, or in person, and may be made to the ARB, an ARB panel, or the ARB chairperson. The chairperson or the chairperson's representative may grant, but not deny, a postponement without action by the full board. If the ARB, the chairperson or chair's representative grants the postponement, it does not have to be granted in writing. Effective Jan. 1, 2008.

Section 41.46

HB 538 amends subsection (a) to add the property owner's right to a postponement under the new Section 41.45(e) to the matters of which the property owner currently must be informed in writing. Effective Jan. 1, 2008.

CHAPTER 42. JUDICIAL REVIEW

Section 42.02

HB 1680 adds new subsections (b) and (c), relating to the chief appraiser's authority to appeal an appraisal review board order. New subsection (b) prohibits the chief appraiser from appealing an appraisal review board order if the protest involved a determination of the appraised or market value of the taxpayer's property and that value, according to the order, is less than \$1 million (or any other taxpayer protest in which the appraisal roll value is less than \$1 million).

New subsection (c) allows the chief appraiser to appeal such a decision if he obtains written approval from the board of directors. The chief appraiser must allege that the taxpayer has committed fraud, made a misrepresentation, or presented fraudulent evidence in the hearing before the board. The subsection also establishes requirements for appeals made under this subsection. The court must first consider whether the taxpayer committed fraud, made a material misrepresentation or presented fraudulent evidence to the ARB. The court

must dismiss the case and award court costs and attorney's fees to the taxpayer if the court does not find, by a preponderance of the evidence, that the taxpayer committed fraud, made a material misrepresentation or presented fraudulent evidence to the ARB. This amendment is applicable to an ARB order issued on or after June 15, 2007. Appeals filed before this date are governed by the law in effect on the date the appeal was filed. Effective June 15, 2007.

Section 42.08

HB 1680 adds a new subsection (b-1) concerning the amount of taxes due on the portion of the taxable value of the property that is not in dispute. The new subsection requires the property owner to submit a written statement of the amount of taxes he proposes to pay with the filed appeal. Effective June 15, 2007.

CHAPTER 311. TAX INCREMENT FINANCING

Chapter 311

HB 3167 amends various subsections to correct a reference. Effective Sept. 1, 2007.

Section 311.0031

HB 470 amends 311.0031 pertaining to enterprise zones to add designation of an area under "other law," particularly adding Chapter 373A of the Local Government Code, as sufficient for designation of the area as a reinvestment zone under this chapter. Effective Sept. 1, 2007.

Section 311.005

HB 2092 adds subsection a-1 to allow a city to designate land to be used in connection with a commuter or mass transit rail system or connected facilities as a reinvestment zone. Effective June 15, 2007.

Section 311.0123

SB 1264 amends subsection (e)(1) to include a reference to obligations incurred for a reinvestment zone. Effective May. 23, 2007.

Section 311.014

SB 1264 amends subsections (b) to add repayment of other obligations to the list of criteria for disbursing money from the tax increment fund. The bill amends subsection (d) to include any other obligations incurred from the zone. The bill also adds new subsection (e) allowing a taxing unit that levies taxes on real property in a reinvestment zone to make a loan to the board of directors of the zone for deposit in the tax increment fund for the zone, if the governing body of the taxing unit determines that the loan is beneficial and serves the public purpose of the taxing unit. The loan is not considered to be a bond or note and is considered to be an authorized investment under the Government Code as well as an obligation incurred for the zone. Effective May 23, 2007.

Section 311.017

SB 1264 amends subsection (a) to include the payment of "other obligations" the zone incurs as triggers that terminate a reinvestment zone. The bill also amends subsection (b) to conform to subsection (a) and to include payment of the principal of and interest on any other obligations incurred on behalf of the zone to the category of other amounts that may become due. Effective May 23, 2007.

CHAPTER 312. TAX ABATEMENTS

Section 312.403

HB 2994 adds Section 312.403, titled "Tax Abatement Agreement for Nuclear Electric Power Generation Facility in County Reinvestment Zone." The addition includes three subsections. Subsection (a) provides that, for this section, "nuclear electric power generation" has the meaning assigned by Section 313.024(d). Subsection (b) is added to allow the owner of a nuclear electric power generation facility to defer the effective date of a tax abatement agreement to a later date agreed to by the taxing unit and the owner, but not later than the seventh anniversary of the date the agreement is made. Subsection (c) is added to provide that, if the parties choose to defer the effective date, the agreement may not have a term ending later than 10 years after the effective date of the agreement. Effective June 15, 2007.

CHAPTER 313. TEXAS ECONOMIC DEVELOPMENT ACT**Section 313.007**

HB 1470 amends the expiration date of Chapter 313 so that Subchapters B, C, and D expire Dec. 31, 2011.

Section 313.021(1)

HB 2994 amends subsection (C), adds new subsection (D) and reorganizes already existing language under new subsection (E) for organizational purposes.

Subsection (C) is amended to include tangible personal property under the definition of “Qualified Investment” that is first placed in service in Texas during the applicable qualifying time period that begins on or after Jan. 1, 2002, without regard to whether the property is affixed to or incorporated into real property, and that is used in connection with the operation of a nuclear electric power generation facility including property which includes pressure vessels, pumps, turbines, generators, and condensers used to produce nuclear electric power, as well as property and systems necessary to control radioactive contamination.

New subsection (D) is added to the definition of “Qualified Investment” to include tangible personal property that is first placed in service in Texas during the applicable qualifying time period that begins on or after Jan. 1, 2002, without regard to whether the property is affixed to or incorporated into real property, and that is used in connection with operating an integrated gasification combined cycle electric generation facility, including property used to produce electric power by means of a combined combustion turbine and steam turbine application using synthetic gas or another product produced by the gasification of coal or another carbon-based feedstock; or property used in handling materials to be used as feedstock for gasification or used in the gasification process to produce synthetic gas or another carbon-based feedstock for use in the production of electric power in the manner previously described. Effective June 15, 2007.

Section 313.021(4)

HB 2994 amends subsection (A) to conform with other changes made by the bill and amends subsection (B) by expanding the definition of “Qualifying Time Period.” The term now includes the first seven tax years that begin on

or after the third anniversary of the date the school district approves the property owner’s application for an appraised value limitation for activities in connection with a nuclear electric power generation facility, unless a shorter time period is agreed to by the governing body of the school district and the property owner. Effective June 15, 2007.

Section 313.024

HB 3732 amends subsection (b)(4) to include an advanced clean energy project as defined by Section 382.003 of the Health and Safety Code and remove a reference to “a gasification project.” Effective June 15, 2007.

Section 313.024

HB 2994 adds subsections (a-1) and (b-1) pertaining to eligible property qualifications and amends subsection (c) to correct a reference.

Subsection (a-1) is added to apply this subchapter and subchapter C and D to property used in the production of nuclear electric power that is owned by a qualifying entity. This subsection expires Jan. 1, 2008. Effective June 15, 2007.

Subsection (b-1) adds property used in connection with electric power generation by the use of integrated gasification combined cycle technology or nuclear electric power generation as being eligible for a limitation. This subsection expires Jan. 1, 2008. Effective June 15, 2007.

Section 313.024

HB 2994 amends subsection (b) by adding subsections (6) and (7) pertaining to using property in connection with electric power generation using integrated gasification combined cycle technology or nuclear electric power generation. Effective Jan. 1, 2008.

Section 313.024

HB 2994 amends subsection (e) by adding subdivisions (3) and (4) pertaining to the definition of “integrated gasification combined cycle technology” and “Nuclear electric power generation.” Effective June 15, 2007.

Section 313.025

HB 1470 amends subsections (b) and (d) concerning the application for a limitation on the appraised value for school district maintenance and operations tax and adds subsections (b-1) and (f-1).

Subsection (b) is amended to require the school district to deliver three copies of the property owner's appraised value limitation application to the Comptroller. Under the amendment, the Comptroller is required to conduct an evaluation, which shall be provided to the governing body of the school district as soon as practicable. The governing body is required to provide the Comptroller any requested information for the evaluation. The amendment gives the Comptroller the authority to develop a methodology to allow for comparisons of economic impact for different schedules of the addition of qualified investment or qualified property. The amendment gives the Comptroller the authority to charge fees sufficient to cover the costs of performing the economic impact evaluation.

Subsection (b-1) is added to require the Comptroller to indicate on one copy of the application the date the Comptroller receives the application. The Comptroller is then required to deliver that copy to the Texas Education Agency (TEA). The TEA is required to submit a written report to the Comptroller containing their determination of the impact the applicant's proposal will have on the number or size of the school district's instructional facilities. The governing body of the school district is required to provide any requested information to the TEA. The TEA must make their determination and submit the written report to the Comptroller not later than the 45th day after the date the application indicates that the Comptroller received the application. Effective June 15, 2007.

Subsection (d) is amended to conform to other sections in the bill and to require the Comptroller to submit the recommendation to the governing body of the school district before the 61st day after the Comptroller receives the copy of the application. Effective June 15, 2007, except the Comptroller's recommendation criteria as amended does not apply to the Comptroller's recommendations made before Dec. 31, 2007.

Subsection (f-1) is added to give school district governing bodies the option to waive the minimum job creation

requirement and approve an application if the body makes a finding that the jobs creation requirement exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility of the property owner that is described in the application. Effective June 15, 2007, except the Comptroller's recommendation criteria as amended does not apply to the comptroller's recommendations made before Dec. 31, 2007.

HB 1470 also states that, with the exception of subsection (f-1), if the school district has not engaged a third party before Dec. 31, 2007, to conduct an economic impact evaluation, then the new law as amended by HB 1470 will apply. If a school district has engaged a third person to conduct an economic impact evaluation before Dec. 31, 2007, then the old law will apply. Otherwise, effective June 15, 2007.

Section 313.026

HB 1470 amends Section 313.026 concerning the Comptroller's Economic Impact Evaluation by organizing the section into subsections and adding subsections (b) and (c), which make substantive changes. Subsection (b) is added to require the Comptroller to base the recommendation on criteria listed in Subsections (a)(2)-9 and on any other information available to the Comptroller, including information provided by the governing body of the school district. Subsection (c) is added to specify that subsection (b) does not apply to the Comptroller's recommendations made before Dec. 31, 2007. Effective June 15, 2007.

Section 313.032

HB 2994 adds Section 313.032 to require the Comptroller to submit a report assessing the progress of the particular agreements. The report must be submitted to the Lieutenant governor, the speaker of the Texas House of Representatives and each member of the Legislature. The report must be based on the data certified to the Comptroller by each recipient and must include the number of qualifying jobs each recipient of the limitation of appraised value committed to create; the number of qualifying jobs each recipient created; the median wage of the new jobs each recipient created; the amount of the qualified investment each recipient committed to spend or allocate for each project; the actual amount of qualified investment the recipient spent or allocated for each project; the market value of the qualified property of each recipient as determined by the chief appraiser and the limitation on the appraised value for the qualified property of each recipient; the dollar amount of the taxes that would have been imposed on the qualified

property if the property had not received a limitation on appraised value and the dollar amount of the taxes imposed on the qualified property; the number of new jobs created by each recipient in each sector of the North American Industry Classification system; and the number of new jobs each recipient actually created that provide health benefits for employees. Effective June 15, 2007.

Section 313.104

HB 1470 amends subsection (2)(B) to extend the tax credit settle-up period from one year to three years. The changes to Section 313.104 apply only to an application for a school tax credit that is filed on or after June 15, 2007. An application for a school tax credit that was filed before June 15, 2007 is governed by the law in effect when the application was filed.

CONSTITUTIONAL AMENDMENTS

Article VIII

SJR 13 adds subsection (d-1) to Article VIII, Section 1-b, to authorize the legislature by general law to reduce the limitation on the total amount of ad valorem taxes for general elementary and secondary public school purposes that may be imposed on the residence homestead of a person who is elderly or disabled for the 2007 tax year, so that the reduction reflects any reduction from the 2006 tax year in the tax rate of school property taxes applicable to the homestead. The amendment allows the legislature to take into account, under certain circumstances, any reduction in the school property tax rate from the 2005 tax year to the 2006 tax year, and for the 2006 and 2007 tax years. The amendment authorizes the legislature to provide for a continuation of a limitation on the total amount of school property taxes imposed on the homestead of an elderly or disabled person in subsequent tax years until the limitation expires. The amendment stipulates that a general law enacted as authorized by this constitutional amendment and made applicable to the entire 2007 tax year is not considered a retroactive law. The voters adopted the

constitutional amendment in the May 4, 2007, election. The enabling legislation (HB 5) was effective on May 4, 2007.

SJR 29 adds subsection (i) to Article VIII, Section 1-b, to authorize the legislature to exempt all or part of the market value of a residence homestead of a totally disabled veteran. The resolution also makes non-substantive clean-up amendments concerning the disabled veterans' exemption. The resolution does not have accompanying enabling legislation. The voters will decide whether to adopt this amendment on Nov 6, 2007.

SJR 44 adds subsection 1-o to Article VIII, Section 1, to authorize the legislature to create a tax limitation in cities with a population of less than 10,000. A municipality would be authorized to call an election to allow a five-year property limitation for property in Downtown Revitalization Program or the Main Street Improvements Program administered by the Texas Department of Agriculture. The resolution does not have accompanying enabling legislation. The voters will decide whether to adopt this amendment on Nov. 6, 2007.

HJR 40 amends subsection (i) of Article VIII, Section 1, to change the calculation of the 10 percent limit in the appraised value of residential homesteads to 10 percent of the appraised value of the property for the preceding tax year, plus the value of new improvements. The limit will no longer be calculated by multiplying 10 percent by the number of years since the last reappraisal of the property. The enabling legislation (HB 438) would be effective Jan. 1, 2008. The voters will decide whether to adopt this amendment on Nov. 6, 2007.

HJR 54 amends subsection (d) of Article VIII, Section 1, to authorize the legislature to exempt from property taxation one motor vehicle owned by an individual that is used in the course of the individual's occupation or profession and is also used for personal activities of the owner that do not involve the production of income. The enabling legislation (HB 1022) is effective for the 2007 tax year. The voters will decide whether to adopt this amendment on Nov. 6, 2007.

AGRICULTURE CODE

Section 1.003

HB 3300 amends subsection (3) to define llamas, alpacas and exotic livestock as “livestock.” Effective June 15, 2007.

FINANCE CODE

Chapter 351

HB 2138 adds Chapter 351 to the Finance Code, establishing a licensing program for property tax lenders. Effective Sept. 1, 2008.

GOVERNMENT CODE

Section 23.101

SB 57 amends subsection (a) to prioritize the judicial docket property tax appeals in district courts in counties with a population of fewer than 175,000. Effective Sept. 1, 2007.

Section 403.302

HB 3492 amends subsection (b) to require the Comptroller in the school property value study to ensure that different levels of appraisal resulting from appraisal review board protests under Section 41.43 of the Tax Code, are appropriately adjusted in the study. Effective June 15, 2007.

HB 5 amends Subsection (j) and adds (j-1) to require the Comptroller to treat 2007 school district levy losses from ceiling reductions in the 2006 property value study.

Section 403.304

HB 621 amends subsection (d) to add the value of property that qualifies for the new goods-in-transit exemption to the list of exemptions that are subtracted from market value when the Comptroller estimates total taxable value. Effective Jan. 1, 2008.

Sections 418.111 and 418.112

SB 61 adds new sections to the Government Code to authorize the governing body of a political subdivision to adopt a plan for the continuity of functions of the political subdivision, to be carried out during a declared disaster or other catastrophic event. The bill also establishes an exception to the quorum requirements of local governments, to allow political subdivisions to take action if a majority of the governing board members are unable to be present as a result of the disaster. Effective June 15, 2007.

LOCAL GOVERNMENT CODE

Section 43.035

HB 1472 adds Section 43.035 to prohibit a municipality from annexing land appraised for tax purposes as land for agriculture, wildlife management, or timber production use unless the municipality offers to make a development agreement with the landowner and the landowner declines to make the agreement. The bill requires a development agreement made in lieu of annexation to guarantee the continuation of the extraterritorial status of the area and authorize all municipal enforcement that does not interfere with the area’s land use status. The bill also provides that any provision of the agreement limiting annexation is void if the landowner files a subdivision plat or related development document. Effective May 25, 2007.

Chapters 102 and 111

HB 3195 amends various provisions to require proposed and adopted city and county budgets that require raising more revenue from property taxes than the preceding year to have specific notice on the budget’s cover page. The notice must include both the dollar and percentage amount of increase and the amount of revenue raised from new property. The bill requires cities and counties to post proposed and adopted budgets on the city and county Web site, if there is one. The language of the revenue increase notice must be included in the city’s and county’s notice of budget hearings, and the city council and commissioners’ court must take a separate vote to ratify the property tax revenue increase included in the budget. Effective Sept. 1, 2007.

Chapter 176

HB 1491 amends multiple sections of Chapter 176 of the Local Government Code, which relates to the disclosure of information about certain relationships between local government officers and persons who contract with local governmental entities. The bill establishes that a charter school is a local governmental entity subject to the provisions of the chapter and revises definitions to clarify terms used in the chapter. The bill specifies that the employees of a local governmental entity who may be required to file a conflicts disclosure statement include any employee who has the authority to approve contracts on behalf of the governmental entity. The bill also requires the entity to identify each employee it makes subject to the filing requirement and to provide a list of the identified employees on request to any person. The bill modifies the criteria used to determine whether a vendor must file a conflict of interest questionnaire and whether an employee must file a conflicts disclosure statement. The bill provides that a local governmental entity

is not required to ensure that a vendor files a conflict of interest questionnaire and that the validity of a contract between a vendor and a local governmental entity is not affected solely because the vendor fails to comply with requirements related to filing such a questionnaire. If a local governmental entity maintains an Internet Web site, the Web site must provide access to the questionnaires and statements filed under this chapter. The bill sets out a retention schedule for filings under this chapter. Effective May 25, 2007.

Chapter 177

SB 1207 adds Chapter 177 to set out procedures by which a county commissioners' court may remove an appointed board member of certain special districts, including a commissioner-appointed member of the appraisal district board, who engages in misconduct. The bill allows the court to fill the vacancy created by the removal, provided the special district does not have a general or special law for such a circumstance. Effective June 15, 2007.

OCCUPATIONS CODE

Sections 1152.152 and 1152.160

HB 2352 allows an attorney who has successfully completed the senior property tax consultant registration examination to perform property tax consulting services for compensation. Effective Sept. 1, 2007.

Summary of the changes made by HB 1460 relevant to Tax Assessors-Collectors, Effective Jan. 1, 2008:

Section 1201.205 (B) (7)–The Statement of Ownership and Location (SOL) form issued by the Texas Department of Housing and Community Affairs (TXDHCA) will have a statement that informs the applicant of the existence of tax liens and where to inquire about recorded liens on TXDHCA's Web site and/or to contact the tax office in the county where the home was located on Jan. 1.

Section 1201.2055 (i)–The person serving a loan may apply for an SOL and elect real property status if the title company or attorney failed to do so at the time of closing.

Section 1201.206 (g)–The seller of a manufactured home must file with the TXDHCA a statement issued from the tax assessor-collector stating no personal property tax is due within 18 months before the date of sale (this period of time

covers taxes that might be due, but have not yet been recorded on the SOL). See Page 87 Tax Code Section 32.03 (a-1).

Section 1201.206 (j)–TXDHCA will provide each chief appraiser a monthly report on manufactured home installations, and on request, a copy to the tax collector.

Section 1201.216 (a)–If the owner of a manufactured home has elected to treat the home as real property, no tax lien will be recorded (the manufactured home is treated as improvement to real property, not personal property).

Section 1201.217 (b) (c) (f)–Before declaring a manufactured home abandoned, the tax collector for each taxing unit that imposes taxes on that manufactured home is included in the list of parties that must be notified. After notification the tax collector has the authority to enter real property and remove the manufactured home; however, they will be responsible for any damage to the real property.

Section 1201.219 (b)–TXDHCA's Web site will show base tax amounts of recorded tax liens and state that this amount does not include penalty, interest or attorney fees that might be due. A tax collector who collects for other taxing units has the authority to record liens for those taxing units.

Section 1201.459 (a)–Either the appraisal district or the tax collector may apply for a seal for identification purposes only if the manufactured home does not have one. They are then responsible for affixing the seal to the manufactured home.

OPEN MEETINGS (GOVERNMENT CODE)

Section 551.001

SB 1306 amends subsection (4) to include ceremonial events and news conferences attended by a quorum of a governmental body among the types of gatherings that are exempt from requirements of the open meetings law. Effective May 22, 2007.

Section 551.045

SB 1499 adds subsection (e) to provide that the sudden relocation of a large number of residents from the area of a declared disaster to a governing body's jurisdiction qualifies as a reasonably unforeseeable situation subject to the two-hour emergency meeting notice requirement under the open meetings law. The bill also requires the governmental body to provide at least one hour notice to members of the news media of an emergency meeting or the addition of an

emergency item to the agenda to address such a situation. Effective June 15, 2007.

Section 551.047

SB 592 amends subsections (b) and (c) to add facsimile transmission and electronic mail to the list of approved means by which a presiding officer of a governmental body may communicate notice of an emergency meeting of that body or the addition of an emergency item to a meeting's agenda to the news media and removes telegraph as an acceptable method for communicating this information. The bill also adds facsimile transmission and electronic mail and removes telegraph from the methods a school district may use to provide special notice of its meetings to certain news media. Effective June 15, 2007.

PROPERTY CODE

Section 12.002

HB 989 amends Section 12.002. Current law prohibits a person from filing for record or having recorded in the county clerk's office a plat or replat of a subdivision of real property unless it has attached to it an original tax certificate from each taxing unit with jurisdiction or the real property indicating that no delinquent ad valorem taxes are owed on the real property. The bill establishes the same filing requirements for condominiums and for subdivisions amended plats and amended replats. Effective Sept. 1, 2007.

PUBLIC INFORMATION (GOVERNMENT CODE)

Section 552.117

HB 455 amends subsection (a) to add officers or employees of a community supervision and corrections department to the list of persons who may choose to withhold from disclosure to the public certain personal information held by the appraisal district. Effective Sept. 1, 2007.

Section 552.148

HB 2188 adds Section 552.148 to the Government Code to except certain property tax appraisal information received by the Comptroller or an appraisal district from a private entity, including real property sales prices, descriptions, and characteristics, from disclosure under the state's public

information law. The bill provides that the exception from disclosure does not apply to a request by a property owner, the owner's agent, or a school district in relation to a protest hearing or to a request by a property owner, the owner's agent, or a school district in relation to a protest of a Comptroller's determination of property values. Effective June 15, 2007.

Section 552.147

HB 2061 amends Section 552.147 of the Government Code to specify that a Social Security number maintained by a governmental entity is not confidential and to authorize a county or district clerk to disclose public information containing a Social Security number during the ordinary course of business without subjecting the clerk to civil or criminal liabilities. The bill further allows an individual to submit a written request to redact a portion of the individual's Social Security number on any information maintained by the clerk that is not required by law to maintain the entire number, and it requires the clerk to comply with this request within a reasonable amount of time. The bill also amends the Property Code to specify that a property deed is not required to contain an individual's Social Security number and to prohibit the preparer of a property deed from including an individual's Social Security number in a document that is recorded in the office of the county clerk. Finally, the bill specifies that a county clerk is not obligated to ensure that a deed presented for recording does not contain an individual's Social Security number. Effective March 28, 2007.

Section 552.222

HB 1497 adds subsections (d), (e) and (f) to Section 552.222 of the Government Code to provide that if a governmental entity sends a written request for clarification, discussion or additional information to a person who has requested information under the public information law, and the person does not respond within 60 days, the person's request for public information is considered to have been withdrawn. However, the request may not be considered to be withdrawn unless the entity's request for additional information includes a statement regarding the consequences of a failure to make a timely response and, if the person included a physical or mailing address in the request for public information, the entity sends its request for additional information by certified mail to that address. Effective Sept. 1, 2007.

Sections 552.263, 552.306 and 552.307

SB 175 clarifies that the term “business day” is to be used to calculate certain deadlines and makes conforming changes in the law currently using the term “working day.” Effective June 15, 2007.

Section 552.275

HB 2564 adds the new Section 552.275 to the Government Code to authorize a governmental entity to establish a limit on the amount of time it spends copying or providing public information to a requestor without charge. The bill provides that the time limit may not be less than a specified minimum for each requestor, and it requires the entity to provide the requestor with a running tally of the time spent during each 12-month period. A procedure is set forth for notification of estimated costs and committing to payment of costs if the established limit is exceeded, and the bill provides for a limit on requests in the name of a minor that can be made free of charge. The bill provides that a governmental body is not prohibited from providing public information without charge, and it specifically exempts representatives of the news media, elected officials and certain legal services organizations from these provisions. Effective June 15, 2007.

TRANSPORTATION CODE**Section 521.049**

HB 3514 adds subsections (d) and (e) to require the Texas Department of Public Safety to provide driver’s license records; personal identification certificate records; or certain identifying information contained in those records, other than a social security number or accident or conviction information, to each appraisal district to assist chief appraisers in determining a person’s eligibility for residence homestead exemptions from property taxes. Effective June 15, 2007.

Property Tax Information Services
www.window.state.tx.us
Call toll free in Texas (800) 252-9121
In Austin, call (512) 305-9999

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