

**Here are my summaries of property tax bills which have been pre-filed, so far, for the upcoming legislative session. (I am not summarizing any school finance bills.) You may read the actual bill and check its status by clicking on the link at our law firm web site <http://www.txtax.com> under Property Tax Law Developments-- Proposed Property Tax Legislation-2005.**

Proposed Constitutional Amendments

## **House of Representatives**

### **House Joint Resolution 16 (By Wong). [Companion to House Bill 108].**

The legislature may limit the increased in appraised value of all real property to five percent per year.

## **Senate**

Proposed Legislation

## **House of Representatives**

House Bill 89 (By Rodriguez).

A person who assists in the preparation of closing documents for the transfer of residential property shall provide the transferee with the necessary documents and information for the person to apply for a residential tax homestead exemption. A person who assistants another in the preparation of homestead exemption documents may not accept a portion of any refund resulting from the preparation of such an application and may not charge a fee exceeding \$25 for the service. Penalties for violation of the statute are actual damages, punitive damages of \$1,000 and attorney's fees and court costs.

House Bill 108 (By Wong). [Companion to House Joint Resolution 16].

The appraised value of all real property may not be raised by more than five percent per year from the date of the last revaluation of the real property. The limitation shall commence on January 1 of the first tax year following the first tax year in which the owner owns the property and shall terminate on January 1 of the first tax year following the

owner's cessation of ownership in the property. A transfer of an interest of 50% or more in the property shall constitute cessation of ownership.

House Bill 114 (By Wong).

The interest rate applicable to an elderly person who defers payment on the person's residential homestead by filing the applicable affidavit shall be the lower of 8% per annum or the national average contract mortgage rate for used homes as of December 31 of the prior tax year as determined by the Federal Housing Administration.

House Bill 118 (By Davis of Dallas).

All property tax exemptions and abatements not directly provided by the Texas Constitution are repealed.

House Bill 121 (By Chavez).

Goods in transit are exempt from taxation. The exemption does not apply to 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. To qualify for the exemption, the goods (1) must have been acquired within or without the state to be forwarded to a location within or without the state, (2) must have been detained at a location in Texas not owned, directly or indirectly, by the owner of the property for purposes of assembly, storage, manufacturing, processing, or fabricating, and (3) must have been transported to another location within or without the state within 175 days after the date the person acquired the property in Texas or imported the property into the state. The January 1 owner of the property does not need to be the same person who transports the property to another location within or without the state for the property to qualify for the exemption. Property may not qualify for both the goods in transit exemption and the freeport exemption. The exemption shall be created on a local option basis by official action of the governing body of a taxing unit taken before January 1 of the first tax year in which the exemption is intended to take effect. The exemption shall remain in effect until the governing body rescinds or repeals the exemption.

House Bill 155 (By Davis of Dallas.)

Unless specifically provided by the Texas Constitution, all property tax exemptions and abatements shall be subject to periodic review (not less frequently than every six years) by the Sunset Advisory Commission and shall be automatically repealed unless the legislature votes to retain the property tax exemption or abatement.

## Senate

Senate Bill 58 (By Nelson).

To qualify a housing project for a property tax exemption under the community housing development organization/low and moderate income statute, the owner must reserve at least 50% of the total number of dwelling units and 50% of the total square footage of the dwelling units for low or moderate income individuals or families. The exempt portion shall be calculated by multiplying 50% times a fraction, the numerator of which is the square footage of the dwelling units reserved for low or moderate income individuals or families and the denominator of which is the total square footage of the dwelling units in the project.

Senate Bill 103 (By Zaffirini).

Appeals of appraisal review board decisions by taxpayers and lessees shall be given priority, preferential settings for hearings and trials by the district courts.

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