



# Texas Property Tax Law Changes 2011

Property Tax Assistance • September 2011

## Property Tax Bills:

### 82nd Texas Legislature, Regular and First Called Session

*This publication includes highlights of recent legislation relating to property tax. The highlights are general summaries and do not reflect the exact or complete text of the legislation highlighted. Not all legislation impacting property tax is addressed. Please be advised that this information is being provided solely as an informational resource. The information provided is not intended for use in lieu of, or as a substitute for, the legislation referenced herein and should not be relied upon as such. Additionally, the information provided neither constitutes nor serves as a substitute for legal advice. Questions regarding the meaning or interpretation of any information included or referenced herein should, as appropriate or necessary, be directed to an attorney or other appropriate counsel.*

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The following acronyms are used in this document:

- ARB appraisal review board
- CAD county appraisal district
- CASS Coding Accuracy Support System
- 1st CS First Called Session
- HB House Bill
- HJR House Joint Resolution
- SB Senate Bill
- SJR Senate Joint Resolution
- SOAH State Office of Administrative Hearings
- TALCB Texas Appraiser Licensing and Certification Board
- TCEQ Texas Commission on Environmental Quality
- TDHCA Texas Department of Housing and Community Affairs
- TDLR Texas Department of Licensing and Regulation
- TxDOT Texas Department of Transportation

The Property Tax Assistance Division at the Texas Comptroller of Public Accounts provides property tax information and resources for taxpayers, local taxing entities, appraisal districts and appraisal review boards.

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## Chapter 1. General Provisions

### Section 1.07

HB 843 amends subsection (a) to allow an official or agency to deliver a required notice by a method other than regular prepaid first class mail, if another provision of the Property Tax Code requires or authorizes (formerly only "requires") a different method of delivery.

*Effective January 1, 2012.*

### Section 1.085

HB 3216 amends subsection (a) to add CADs and ARBs to the entities that may agree to communicate electronically, and specifies that any combination of the named entities may communicate electronically.

The bill amends subsection (b) to allow an agreement between a chief appraiser and a property owner or the property owner's designee to be communicated electronically, and requires the agreement to be signed by the property owner (or designee) in a form acceptable to the chief appraiser.

The bill amends subsection (d) to provide that an agreement for electronic communication remains in effect until rescinded in writing by the property owner or property owner's designee.

The bill amends subsection (f) to allow a chief appraiser to determine the medium, format, content and method to be used in electronic communication if the Comptroller has not prescribed these items.

The bill amends subsection (g) to except any CAD located in a county with a population of 200,000 or less from electronic delivery of notices of appraised value.

The bill adds subsections (h), (i), (j), (k) and (l) to:

- require the chief appraiser to publicize the availability of electronic communication agreement forms;
- require a property owner or designee to notify the CAD of a change in electronic email address;
- provide that, unless required under this section, a decision by the chief appraiser not to enter into an electronic communication agreement may not be reviewed by the ARB and

is not subject to protest, a suit to compel, a district court appeal or an Occupations Code complaint;

- provide for confirmation of receipt of electronic communication; and
- make other changes to this section to facilitate electronic communication.

*Effective September 1, 2011.*

### Section 1.111

HB 1887 amends subsection (j) to require ARBs and CADs to send notices regarding a property subject to a protest to a person who is exempt from registration as a property tax consultant and is filing a protest on behalf of a property owner if that exempt person is not supervised, directed or compensated by a person required to register as a property tax consultant. If the exempt individual is not designated by the property owner to receive notices, tax bills, orders and other communications, he or she is required to file a statement with the protest that includes identifying information, the basis for a request for exemption from registration and a statement that the individual is acting on behalf of the property owner.

*Effective September 1, 2011.*

HB 3216 amends subsection (b) to require each CAD in a county with a population of 500,000 or more to implement a system that allows the designation of a property tax agent to be signed and filed electronically.

The bill adds subsection (k) to require that, on written request by the chief appraiser, an agent who electronically submits a designation of agent form must provide the chief appraiser with the electronic signature of the person who signed the form, the date on which the person signed the form and the Internet Protocol address of the computer the person used to complete the form.

The bill adds subsection (l) to prohibit false entries in, or false alterations of, signed designation of agent forms.

*Effective September 1, 2011.*

## Chapter 5. State Administration

### Section 5.041

HB 1887 amends subsections (c) and (e-3) to prohibit chief appraisers, CAD staff, CAD board of directors, and members of ARBs from providing ARB training.

Subsection (g) is added to prohibit communications concerning the Comptroller's training course or any matter presented or discussed during the course from the following individuals:

- a chief appraiser,
- a CAD employee,
- a member of the CAD board of directors,

- a taxing unit officer or a taxing unit employee and
- attorneys who represent (or whose firm represents) the CAD or a taxing unit that participates in the CAD for which the ARB is established.

The bill amends subsection (e-1) to require the Comptroller to provide a detailed explanation of Tax Code Section 25.25 in the continuing education course. The bill adds subsection (h) to provide that an ARB may retain a certified appraiser for instruction on valuation methods if the CAD budgets for the instruction.

*Effective September 1, 2011.*



### Section 5.05

SB 1 (1st CS) amends subsection (c) to repeal the requirement that the Comptroller provide certain publications without charge to local government officials who are responsible for administering the property tax system. The Comptroller must publish electronically these materials and may charge for the costs of preparing, printing and distributing these materials.

*Effective September 28, 2011.*

### Section 5.06

SB 1 (1st CS) amends subsection (a) to provide that the Comptroller electronically publish the taxpayer remedies pamphlet. The bill repeals subsection (b).

*Effective September 28, 2011.*

## Chapter 6. Local Administration

### Section 6.05

HB 2387 amends subsection (d) to prohibit a chief appraiser from employing a general counsel for the CAD and adds subsection (j) to permit the board of directors to employ a general counsel. The general counsel serves at the will of the board, provides counsel directly to the board, performs other duties as assigned by the board, and is compensated through the budget adopted by the board.

*Effective June 17, 2011.*

### Section 6.12

HB 361 amends subsection (b) to remove the requirement that one member of an agricultural advisory board be a representative of the county agricultural stabilization and conservation service and amends subsection (d) to require the board to meet at least once a year, rather than three times a year, at the call of the chief appraiser.

*Effective September 1, 2011, but applies only to a member appointed on or after the effective date; does not affect the entitlement of a member serving on the board immediately before the effective date to continue to carry out the board's functions for the remainder of the member's term, and does not prohibit a qualified member of the board on the effective date from being reappointed to the board.*

### Section 6.28

HB 2104 amends subsection (c) to establish a minimum amount of \$2,500 for a county assessor-collector's bond for county taxes and to allow the commissioners court of a county with a population of 1.5 million or more to set the maximum amount of the bond in an amount greater than \$100,000.

The bill amends subsection (d) to except a county that has legally set the assessor-collector's bond for county taxes higher than \$100,000 from the requirement that the total of the state and county bonds not exceed \$100,000.

*Effective September 1, 2011.*

### Section 5.09

SB 1 (1st CS) amends subsection (a) to require that the Comptroller biennially report the total appraised values and taxable values of property by category and the tax rates of each county, municipality and school district in effect for the two years preceding the year in which the report is prepared, rather than annually report on CAD operations.

The bill amends subsection (b) to require that the report be electronically published on the Comptroller's website not later than December 31 of each even-numbered year. Notification that the report is available on the website must be delivered to the governor, lieutenant governor, and legislature.

*Effective September 28, 2011.*

### Section 6.41

HB 2702 amends subsection (d-1) to provide for appointment of ARB members by the local administrative judge in counties with a population of 550,000 (previously 350,000) or more that are adjacent to a county with a population of 3.3 million or more.

*Effective September 1, 2011.*

### Section 6.411

HB 1887 amends subsection (a) to make a communication between an ARB member and a member of the CAD board of directors in violation of Section 41.66(f) a Class A misdemeanor.

The bill also amends subsection (b) to prohibit communications with an ARB member with the intent to influence an ARB decision by the following persons:

- a chief appraiser,
- an employee of the CAD,
- a member of the CAD board of directors or
- a property tax consultant or attorney representing a party to an ARB proceeding.

The bill amends subsection (c-1) to permit communications involving a chief appraiser, CAD employee or a member of the board of directors with an ARB member (1) during a hearing on a protest or other proceeding before the ARB; (2) that constitutes social conversations; or (3) about certain administrative and procedural matters related to ARB operations and appointments.

*Effective September 1, 2011, but applies only to an offense committed on or after the effective date.*

### Section 6.412

HB 1887 amends subsection (a) to include individuals related to a member of the CAD's board of directors within the third degree by consanguinity (blood relationship) or within the



second degree by affinity (relationship by marriage) in the list of individuals who are ineligible to serve on an ARB.

*Effective September 1, 2011.*

### Section 6.414

**HB 896** adds this section to allow a CAD board to appoint auxiliary ARB members to hear taxpayer protests. A majority of the CAD board may select by resolution the number of auxiliary ARB members.

Auxiliary board members are appointed in the same manner and for the same term as regular board members and are subject to the same eligibility requirements. Auxiliary board members may hear taxpayer protests before the ARB and serve on hearing panels. Auxiliary board members are considered regular board members for all purposes related to the conduct of their hearings. They may not vote on any ARB determination, may not be counted toward a quorum and may not serve as chairman or secretary of the ARB.

*Effective June 17, 2011, but applies only to the appointment of an auxiliary member of an ARB for a term beginning on or after January 1, 2012.*

### Section 6.43

**HB 1887** amends subsection (a) to repeal the provision allowing the ARB to use the staff of the appraisal office for clerical assistance and adds subsection (f) to authorize the appraisal office

to provide clerical assistance to the ARB, including scheduling and arranging hearings.

The bill adds subsection (b) to prohibit an attorney from serving as legal counsel for an ARB if, within the prior year, the attorney or any member of the attorney's law firm represented the CAD, a property owner in the CAD or a taxing unit in the CAD in certain matters. The bill adds subsection (c) to provide that the county attorney may provide legal services to the ARB even if that attorney or an assistant attorney represents or has represented the CAD or a taxing unit in any matter.

The bill adds subsection (d) to prohibit an attorney who serves as legal counsel for an ARB from acting as an advocate in a hearing or proceeding conducted by the board. That attorney may, however, provide advice to the board during a hearing and is required to disclose all legal authority in the controlling jurisdiction known to the attorney to be relevant and not disclosed by the parties. The bill requires the ARB's attorney to disclose a material fact that may assist the board in making an informed decision, even if the fact is adverse to a party.

The bill adds subsection (e) to permit a CAD to specify in its budget whether the ARB is required to use the county attorney or may employ legal counsel, but prohibits a CAD from requiring the employment of a specific attorney. Reasonable compensation must be provided in the budget for the ARB's legal counsel if such employment is authorized.

*Effective September 1, 2011.*

## Chapter 11. Taxable Property and Exemptions

### Section 11.11

**HB 1201** amends subsection (j) to repeal the reference to the Trans-Texas Corridor.

*Effective June 17, 2011.*

### Section 11.131

**SB 516** adds subsection (c) to provide a property tax exemption of the total appraised value to the surviving spouse of a 100 percent or totally disabled veteran for the same property to which the disabled veteran exemption applied. This surviving spouse is entitled to the exemption if he or she has not remarried since the death of the disabled veteran and the property was the residence homestead of the surviving spouse when the disabled veteran died and remains the residence homestead of the surviving spouse.

Subsection (d) is added to provide that, if a surviving spouse qualifies for the exemption and then subsequently qualifies a different property as a residence homestead, the surviving spouse is entitled to an exemption in an amount equal to the dollar amount of the exemption of the former homestead in the last year in which the surviving spouse received an exemption. To receive an exemption in a subsequent residence homestead, the surviving spouse cannot have remarried since the death of the disabled veteran. The bill provides for the chief appraiser of the CAD in which the surviving

spouse's former residence homestead was located to provide the surviving spouse a written certificate so that the amount of the exemption in the subsequent qualified household can be determined.

Subsection (a) is amended to define "surviving spouse" as the individual who was married to a disabled veteran at the time of the veteran's death.

*Effective January 1, 2012, contingent on voter approval of SJR 14, but applies only to a tax year beginning on or after January 1, 2012.*

### Section 11.18

**SB 1303** amends subsection (d) and (p) to make a technical correction by renumbering subsections.

*Effective September 1, 2011.*

**HB 2702** amends subsection (p) to increase the population bracket to more than 750,000 and less than 850,000 (formerly 600,000 and 700,000, respectively).

*Effective September 1, 2011.*

### Section 11.181

**HB 3133** amends subsection (b) to prohibit the exemption of certain property that received an exemption under Section 11.1825 and that was subsequently transferred to an organization



described by this section. Property may not be exempted under subsection (a) after the fifth anniversary of the date on which the transferring organization acquired the property.

*Effective June 17, 2011, but applies to the taxation of real property beginning with the 2011 tax year.*

### Section 11.1825

**HB 3133** amends subsection (f) to provide that an exemption under this section may be granted for multifamily and single-family housing.

The bill adds subsection (p-1) to provide that the transfer of property from an organization described by this section to a nonprofit organization that claims an exemption for the property under Section 11.181(a) is a proper use of and purpose for owning the property under this section.

The bill amends subsection (q) to require the chief appraiser to use the income method of appraisal described by Section 23.012 regardless of whether the chief appraiser considers that method to be the most appropriate method.

*Effective June 17, 2011, but applies to the taxation of real property beginning with the 2011 tax year.*

**HB 2702** amends subsection (s) and (v) to increase the population minimums to 1.8 million (formerly 1.4 million).

*Effective September 1, 2011.*

### Section 11.1827

**SB 402** adds this section to provide a local option property tax exemption for land owned by a community land trust created or designated under Local Government Code Section 373B.002, together with housing units located on the land if the units are owned by the trust. The exemption must be adopted by the governing body of the taxing unit before July 1. To receive the exemption, the trust must meet certain requirements of a charitable organization under Sections 11.18 (e) and (f); own the land for the purpose of leasing it and selling or leasing housing units located on the land; and engage exclusively in the sale or lease of housing as provided in this section. This property cannot be exempted after the third anniversary of the date on which the trust acquires the property unless the trust is offering to sell or lease or is leasing the property as provided by Local Government Code 373B.

The section also provides a property tax exemption for any real or tangible personal property the trust owns and uses in the administration of its acquisition, construction, repair, sale or leasing of property. This property must be used exclusively by the trust, except for use by persons for activities incidental to the trust's use that benefit the beneficiaries of the trust.

To receive an exemption, a trust must have an annual independent audit with specified information and send that audit to specified local governments and the chief appraiser within a certain time period.

*Effective January 1, 2012, but applies only to ad valorem taxes imposed for a tax year beginning on or after the effective date.*

### Section 11.253

**SB 1 (1st CS)** amends subdivision (a)(2) to modify the definition of "goods-in-transit" to mean tangible personal property stored under a contract of bailment by a public warehouse operator at one or more public warehouses that are not in any way owned or controlled by the owner of the personal property, rather than prohibiting direct or indirect ownership interest. The terms "assembling," "manufacturing," "processing" and "fabricating," are deleted from the definition as acceptable activities to qualify for the exemption.

The bill adds subdivision (a)(5) and (a)(6) to create the definitions for "bailee" and "warehouse," assigning the same meanings as in Business and Commerce Code Section 7.102, and defines "public warehouse operator" to mean a person who is both a bailee and a warehouse owner and stores tangible personal property owned by other persons solely for their account and not for the operator's account.

The bill modifies subsection (e) and (h) to make conforming changes.

To tax personal property that would otherwise qualify for the "goods-in-transit" exemption, the bill adds subsection (j-1) to require taxing units to take official action on or after October 1, 2011 after holding a public hearing. Official action to tax the property must be taken before January 1 of the first tax year in which the governing body proposes to tax the property. If such official action is taken, the property remains subject to taxation by that taxing unit until the unit by official action rescinds or repeals its previous action to tax the property.

Subsection (j-2) is added to allow taxing units to continue to tax "goods-in-transit" if the taxing unit took action to tax the property before October 1, 2011 and pledged those taxes to the payment of debt until the debt is discharged.

*Effective January 1, 2012, but applies only to an ad valorem tax year that begins on or after January 1, 2012, except for provisions (j-1) and (j-2) relating to taxing units taking official action to tax goods-in-transit which are effective October 1, 2011.*

### Section 11.31

**HB 2280** amends subsection (n) to require that at least one member of the advisory committee that advises TCEQ regarding determinations related to pollution control property tax exemptions be a representative of a school district or junior college district in which property is located that is or was subject to an exemption under this section.

*Effective June 17, 2011.*

### Section 11.42

**SB 201** adds subsection (e) to allow a person who qualifies for the 100 percent or totally disabled veteran exemption under Section 11.131 after January 1 of a tax year to receive the exemption for the applicable portion of that tax year immediately on qualification for the exemption.

*Effective January 1, 2012, but applies only to an ad valorem tax year that begins on or after the effective date.*



### Section 11.43

**SB 402** amends subsection (c) to add the exemption for community land trusts to those exemptions that do not have to be claimed in subsequent years once allowed until the ownership changes or the person's qualifications for the exemption changes.

*Effective January 1, 2012, but applies only to ad valorem taxes imposed for a tax year that begins on or after the effective date.*

**HB 645** amends subsection (f) to require that the exemption application forms prescribed by the Comptroller allow charitable organization applicants to provide the organization's federal tax identification number instead of a driver's license number, personal identification certificate number or Social Security account number.

*Effective September 1, 2011 but applies only to an application for an exemption from ad valorem taxation of property owned by a charitable organization filed with a chief appraiser on or after September 1, 2011.*

**HB 252** amends subsection (j) to require that an applicant state that he or she does not claim an exemption on another residence homestead in or outside of Texas. A residence homestead exemption application must include a copy of a driver's license or state identification card and must include a vehicle registration receipt. If the applicant does not own a vehicle, he or she must provide an affidavit to that effect and a copy of a utility bill for the property in the applicant's name. The application must be signed by the applicant.

Subsection (n) is added to prohibit a chief appraiser from allowing a homestead exemption unless the addresses on the required forms of identification match and also match the address for which the exemption is claimed.

Subsection (o) is added to require that residence homestead applicants who are age 65 or older or disabled and who are not specifically identified on a deed or other recorded instrument must provide an affidavit or other compelling evidence of ownership.

*Effective September 1, 2011, but applies only to a residence homestead exemption application filed on or after the effective date.*

### Section 11.431

**SB 516** amends subsection (a) to require the chief appraiser to accept and approve or deny an application for an exemption under Section 11.131 for the surviving spouse of a disabled veteran after the deadline for filing has passed, if the application for the exemption is filed not later than one year after the delinquency date for the taxes on the homestead.

*January 1, 2012, contingent on voter approval of SJR 14.*

### Section 11.432

**HB 252** amends subsection (a) to add a payment receipt and a sworn affidavit to the types of acceptable documentation required to verify ownership of a manufactured home for the purpose of obtaining a residence homestead exemption. The sworn affidavit is required to state that the applicant is the owner of the manufactured home; the seller of the manufactured home did not provide the applicant with a purchase contract; and the applicant could not locate the seller after making a good-faith effort.

The bill amends subsection (a-1) to clarify that a CAD may rely on the computer records of TDHCA to verify an applicant's ownership of a manufactured home and that, if the CAD makes this verification, an applicant for a residence homestead exemption on a manufactured home is not required to submit the ownership documentation that would otherwise be required.

The bill amends subsection (b) to require that land on which a manufactured home is located may qualify as part of the residence homestead if it is owned by one or more individuals including the applicant. The applicant must occupy the manufactured home as his or her principal residence, and the applicant must own the mobile home as demonstrated by TDHCA computer records or owner documentation.

The bill amends subsection (c) to specify that an owner of land qualified as a residence homestead is entitled to obtain the homestead exemption and any other benefit granted under this title to the owner of a residence homestead, regardless of whether the applicant has elected to treat the manufactured home as real property or personal property. The manufactured home may also be listed as real or personal property or shown on the tax rolls with the real property to which it is attached.

*Effective January 1, 2012, but applies only to a residence homestead exemption application filed on or after the effective date.*

## Chapter 22. Renditions and Other Reports

### Section 22.01

**HB 533** adds subsection (m) to provide that a person is not required to render personal property that is appraised under Section 23.24.

*Effective June 17, 2011.*

### Section 22.28

**HB 533** amends this section to require the chief appraiser to send a written notice by first-class mail informing a property owner when a penalty is imposed for failure to file a rendition timely; this notice may be delivered with a notice of appraised value. The bill requires the chief appraiser to certify to the assessor for



each taxing unit that a penalty imposed under this chapter has become final. The bill specifies that a penalty becomes final if:

- the property owner does not protest the penalty before the ARB;
- an ARB determination denies a penalty waiver and the owner does not appeal to district court;
- a district court judgment sustaining the determination has become final; or
- a court order that imposes the penalty has become final.

*Effective June 17, 2011, but applies only to a penalty that is imposed under Section 22.28, Tax Code, on or after the effective date.*

### Section 22.30

HB 533 amends subsection (a) to remove the authorization of the chief appraiser to waive the penalty for fraud or intent to evade a tax under Section 22.29. The bill requires that a person send a chief appraiser a written request to waive a penalty imposed for failure to file timely a rendition or property report

before June 1 or not later than the 30th day after the date of receipt of the penalty notification, whichever is later. The chief appraiser is required to determine the penalty waiver request after considering several specified factors.

The bill adds subsection (a-1) and amends subsection (b) to:

- require the chief appraiser to send by first-class mail a written notification of denial of the waiver;
- allow the property owner to protest the imposition of the penalty to an ARB by filing written notification within a specified timeline; and
- require that the ARB, rather than the chief appraiser, determine the protest after considering several specified factors.

The bill amends subsection (c) to provide that Chapters 41 and 42 apply. Subsection (d) is added to authorize the chief appraiser and a protesting party to enter into a settlement agreement.

*Effective June 17, 2011, but applies only to a penalty that is imposed under Section 22.28, Tax Code, on or after the effective date.*

## Chapter 23. Appraisal Methods and Procedures

### Section 23.01

SB 1303 amends subsection (c) to make a technical correction by renumbering subsections.

*Effective September 1, 2011.*

### Section 23.1211

HB 3727 adds this section to require the chief appraiser to determine the appraised value of a temporary production aircraft at 10 percent of the aircraft's list price according to the most recent edition of the International Bureau of Aviation Aircraft Values Board as of January 1. The bill defines a temporary production aircraft as an aircraft:

- that is a transport category aircraft as defined by federal aviation regulations;
- for which a Federal Aviation Administration special airworthiness certificate has been issued;
- that is operated under a Federal Aviation Administration special flight permit;
- that has a maximum takeoff weight of at least 145,000 pounds; and
- that is temporarily located in this state for purposes of manufacture or assembly.

The bill also defines maximum takeoff weight of an aircraft. The bill adds a legislative finding that there is a lack of information that reliably establishes the market value of temporary production aircraft; accordingly, the Legislature enacted this section to be used in determining the appraised value of such aircraft.

*Effective September 1, 2011, but applies only to ad valorem taxes imposed for a tax year beginning on or after January 1, 2012.*

### Section 23.1241

HB 2476 amends subsection (a) to modify the following definitions so that:

- "dealer" includes a person in the business of leasing or renting heavy equipment;
- "dealer's heavy equipment inventory" includes equipment held for lease or rent during a 12-month period (rather than leased or rented subject to a purchase option);
- the weight threshold for heavy equipment is at least 1,500 pounds (rather than at least 3,000 pounds);
- the sales price for leased or rented heavy equipment is the total of the lease or rental payments;
- "subsequent sale" excludes a rental or lease with an unexercised purchase option or without a purchase option; and
- "total annual sales" includes lease and rental payments received for each lease or rental of heavy equipment inventory in a 12-month period.

The bill amends subsection (b) to strike language providing that a sale occurs when possession of an item of heavy equipment is transferred from the dealer to the purchaser.

The bill adds subsection (b-1) to provide that, for the purpose of computing the property tax, after an item of heavy equipment is leased or rented for a portion of the preceding tax year and sold in that year, the sales price of that heavy equipment is the sum of the sales price of the item plus the total lease and rental payments received for the item in the preceding tax year.

The bill amends subsection (c) to add a presumption that a dealer is an owner of heavy equipment inventory on January 1 if, in the preceding year, the dealer leased or rented heavy equipment to a person other than a dealer.



The bill amends subsection (j) to allow rather than require the appropriate district attorney, criminal district attorney or county attorney to collect the penalty for failure to file or timely file a required declaration. The chief appraiser is allowed to collect the penalty in the name of the chief appraiser and the chief appraiser or the appropriate attorney named above may sue to enforce compliance with the filing requirements. The venue for an action for injunctive relief is in the county in which the violation occurred or in the county in which the owner maintains a principal place of business or residence. The court may award attorney's fees to a chief appraiser or any of the attorneys named above who prevail in a suit to collect a penalty or enforce compliance with the filing requirements.

The bill repeals subsection (i), which specified that failure to file a dealer's heavy equipment inventory declaration is a misdemeanor offense punishable by a fine of up to \$500 per day.

*Effective January 1, 2012, but applies only to ad valorem taxes imposed for a tax year beginning on or after the effective date.*

### Section 23.1242

**HB 2476** amends subsection (b) to require the owner of heavy equipment to assign a unit property tax to each item of heavy equipment that is leased or rented. The bill provides the unit property tax calculation method for leased or rented heavy equipment. If a transaction is a lease or rental, the owner is required to collect the unit property tax from the lessee or renter at the time the lessee or renter submits payment for the lease or rental. The owner is required to state the amount of the unit property tax as a separate line item on an invoice. The bill provides for the owner to deposit with the tax collector the unit property tax for leased or rented equipment along with the unit property tax for sold equipment.

The bill amends subsection (d) to provide an exception for withdrawing funds from the owner's escrow account.

The bill amends subsection (e) to require a heavy equipment dealer to complete the dealer's heavy equipment inventory tax statement form adopted by Comptroller rule regardless of whether the heavy equipment is sold, leased or rented.

The bill amends subsection (f) to include leased or rented heavy equipment in the requirements regarding a dealer's filing of the dealer's heavy equipment inventory tax statement.

The bill repeals subsection (l), which specified that failure to file a dealer's heavy equipment inventory tax statement is a misdemeanor offense punishable by a fine of up to \$100 per day.

The bill amends subsection (m) to allow rather than require the appropriate district attorney, criminal district attorney or county attorney to collect the penalty for failure to file or timely file the dealer's heavy equipment inventory tax statement. The chief appraiser is allowed to collect the penalty in the name of the chief appraiser and the chief appraiser or the appropriate attorney named above may sue to enforce compliance with the filing requirements. The venue for an action for injunctive relief is in the county in which the violation occurred or in

the county in which the owner maintains a principal place of business or residence. The court may award attorney's fees to a chief appraiser or any of the attorneys named above who prevail in a suit to collect a penalty or enforce compliance with the filing requirements.

*Effective January 1, 2012, but applies only to ad valorem taxes imposed for a tax year beginning on or after the effective date.*

### Section 23.1243

**HB 2476** adds this section to permit a dealer to apply to the chief appraiser for a refund of property taxes paid on a fleet transaction sale. The bill provides procedures for this refund.

*Effective January 1, 2012, but applies only to ad valorem taxes imposed for a tax year beginning on or after the effective date.*

### Section 23.129

**SB 1385** adds this section to authorize a chief appraiser to waive penalties for failing to file or timely file an inventory declaration for a dealer's motor vehicle inventory, dealer's heavy equipment inventory or retail manufactured housing inventory. The bill also allows a collector to waive penalties for failing to file or file timely inventory tax statements for this inventory. The chief appraiser or collector can waive these penalties only if the taxpayer's failure to file or timely file the declaration or statement was because of a natural disaster that made it effectively impossible for the taxpayer to comply with the filing requirement or an event beyond the control of the taxpayer that destroyed the taxpayer's property or records. A penalty may only be waived if the taxpayer is otherwise in compliance with Chapter 23 and the taxpayer seeking the waiver files a written application with the chief appraiser or collector, as applicable, not later than the 30th day after the date the declaration or statement, as applicable, was required to be filed.

*Effective September 1, 2011.*

### Section 23.175

**SB 1505** amends subsection (a) to require the chief appraiser (rather than the Comptroller) to calculate a price adjustment factor to be multiplied by the previous year's average price of oil or natural gas. The resulting price must be used in the first year of an income appraisal. The price adjustment factor is based on oil and natural gas prices projected by the U.S. Energy Information Administration (EIA) and must be calculated by dividing the forecasted current year price by the previous year's price published by the EIA.

The bill limits the escalation or de-escalation of oil or natural gas prices in the appraisal to the second through the sixth year of the appraisal, and prohibits the escalation or de-escalation from exceeding the average annual percentage change from 1982 through the most recent year in the producer price index for domestically produced petroleum or for natural gas, as applicable, as published by the Bureau of Labor Statistics of the U.S. Department of Labor.





Subsection (b) and (c) are amended to require the Comptroller to include in the appraisal manual the formula to be used in computing the escalation or de-escalation rate and to require each appraisal office to use the specified formula.

*Effective January 1, 2012, but applies only to the appraisal for ad valorem tax purposes of a real property interest in oil or gas in place for a tax year beginning on or after the effective date.*

### Section 23.21

HB 3133 adds subsection (c) to require the chief appraiser to take into account the extent to which use, limitation, and resale restrictions reduce the market value of certain low-income housing property.

*Effective June 17, 2011.*

SB 402 adds subsection (c) and (d) to require a chief appraiser to take into account the extent to which the use and limitation of land or a housing unit leased by a community land trust reduces the market value of the property. The chief appraiser also must consider the extent to which the market value of a housing unit acquired from a trust (by the owner or a predecessor) is reduced by any regulations or restrictions that limit the right of the housing unit owner to sell a housing unit, including limitations on the price for which the unit may be sold, when that unit is located on land owned by the trust and leased by the owner of the housing unit.

*Effective January 1, 2012, but applies only to ad valorem taxes imposed for a tax year beginning on or after the effective date.*

### Section 23.51

SB 449 amends subdivision (2) to provide that the term "agricultural use" includes water stewardship for the purpose of open-space land appraisal. Subdivision (9) provides that water stewardship means actively using land that, at the time the water stewardship began, was appraised as qualified open-space land or as qualified timber land in at least three of nine specified activities to promote and sustain water quality and conservation of water resources.

*Effective January 1, 2012, contingent on voter approval of SJR 16. Applies only to the appraisal for a tax year that begins after the tax year in which the Comptroller adopts rules and distributes those rules to each CAD.*

SB 1 (1st CS) amends subdivision (2) to provide that the term "agricultural use" includes the use of land to raise or keep bees for pollination or for the production of human food or other tangible products having a commercial value, provided that the land used is not less than five or more than 20 acres.

*Effective September 28, 2011, but applies only to the appraisal of land for ad valorem tax purposes for a tax year that begins on or after the effective date.*

### Section 23.52

SB 449 amends subsection (g) to provide that, for land that qualifies for water stewardship, the category of the land is the category before water stewardship use began.

*Effective January 1, 2012, contingent on voter approval of SJR 16. Applies only to the appraisal for a tax year that begins after the tax year in which the Comptroller adopts rules and distributes those rules to each CAD.*

### Section 23.5215

SB 449 adds this section to require the Texas Parks and Wildlife Department, with the assistance of the Comptroller, to develop standards to determine whether land qualifies for water stewardship appraisal. On request by the department or the Comptroller, the Texas AgriLife Extension Service is required to assist in developing these standards. The Comptroller is required by rule to adopt these standards or adopt alternative standards and distribute those rules to each CAD. The Comptroller is required to designate a chief appraiser from a rural area and an urban area of this state to assist in the development of the standards.

These standards must:

- require the tract of land be at least a specified minimum size and not more than a specified maximum size;
- require the land to possess specific water-related attributes based on intensity of use;
- require owners to hold a water right that authorizes the use of a specified minimum amount of water for instream flows;
- specify the degree to which the land may be developed without becoming ineligible;
- address qualifying activities, regions in this state and any other relevant factor determined by the department or the Comptroller; and
- limit eligibility to the portion of land currently devoted principally to water stewardship purposes.

In addition, these standards may include a request from the chief appraiser for a written management plan developed by the landowner. To determine whether land qualifies for water stewardship appraisal, the chief appraiser and ARB must apply the standards and, to the extent they do not conflict with those standards, the appraisal manuals developed and distributed under Section 23.52 (d).

*Effective January 1, 2012, contingent on voter approval of SJR 16. Applies only to the appraisal for a tax year that begins after the tax year in which the Comptroller adopts rules and distributes those rules to each CAD.*

### Section 23.55

HB 3133 amends subsection (p) to provide that, except for counties and school districts, the change of use sanctions do not apply to real property transferred to an organization described by Section 11.181 (a) if the organization converts the real property to a use for which the real property is eligible



for an exemption under that provision. Counties and school districts may waive their exception.

*Effective June 17, 2011, but applies only to a transfer of real property that occurs on or after the effective date.*

### Section 23.56

**SB 449** amends subsection (a) to provide that land located inside the corporate limits of an incorporated city or town is eligible for open-space appraisal if it is used for water stewardship and has been devoted principally to agricultural use or timber production or forest products continuously for the preceding five years.

The bill adds subsection (b) to provide that land is not eligible for appraisal based on water stewardship if it was appraised as open-space or timber land when the water stewardship use began and is developed to a degree that precludes the land from

eligibility for appraisal under Subchapter D or E on a basis other than use for water stewardship.

*Effective January 1, 2012, contingent on voter approval of SJR 16. Applies only to the appraisal for a tax year that begins after the tax year in which the Comptroller adopts rules and distributes those rules to each CAD.*

### Section 23.60

**SB 449** amends subsection (a) to provide that a provision relating to the reappraisal of land due to a temporary quarantine for ticks does not apply to land used for water stewardship.

*Effective January 1, 2012, contingent on voter approval of SJR 16. Applies only to the appraisal for a tax year that begins after the tax year in which the Comptroller adopts rules and distributes those rules to each CAD.*

## Chapter 25. Local Appraisal

### Section 25.025

**HB 1046** amends subsection (a) to add to the list of individuals for whom appraisal information identifying their home address is confidential. The bill adds a current or former employee of the Attorney General's Office who is or was assigned to a division of that office involved in law enforcement.

*Effective June 17, 2011.*

**HB 3307** amends subsection (a) to add to the list of individuals for whom appraisal information identifying their home address is confidential. The bill adds a current or former U.S. attorney or assistant U.S. attorney and the spouse and child of the attorney.

*Effective June 17, 2011.*

### Section 25.026

**HB 2329** amends subsection (a) to define "victims of trafficking shelter center" as a program that is operated by a public or private nonprofit organization and provides comprehensive residential and nonresidential services to victims of the trafficking of persons under Penal Code Section 20A.02.

The bill amends subsection (b) to include the address of a victims of trafficking shelter center in the specified addresses for which information in appraisal records is confidential and available only for the official use of the CAD, the state, the Comptroller, taxing units and political subdivisions of this state, if the information identifies the address.

*Effective September 1, 2011.*

### Section 25.06

**HB 1201** amends subsection (c) to remove references to the Trans-Texas Corridor.

*Effective June 17, 2011.*

### Section 25.07

**HB 1201** amends subsection (c) to remove references to the Trans-Texas Corridor.

*Effective June 17, 2011.*

### Section 25.08

**HB 252** adds new subsection (g) to require the chief appraiser to apportion a residence homestead exemption on property consisting of separately listed land and a manufactured home on a pro rata basis, based on the appraised value of the land and the manufactured home.

*Effective January 1, 2012, but applies only to an apportionment of a residence homestead exemption for a tax year beginning on or after the effective date.*

### Section 25.25

**HB 1887** and **SB 1441** amend subsection (c) to permit ownership corrections to the appraisal roll.

*Effective September 1, 2011 (HB 1887 and SB 1441). SB 1441 applies only to a motion to correct an appraisal roll filed on or after the effective date while HB 1887 applies only to a motion to correct an appraisal roll or a protest filed on or after the effective date.*

**HB 1887** and **HB 2220** amend subsection (e) to require a property owner who files a motion to correct an appraisal roll to comply with the payment requirements of Section 25.26 (rather than 42.08) or forfeit the right to a final determination of the motion.

*Effective June 17, 2011 (HB 2220). Effective September 1, 2011 (HB 1887). Both apply only to a motion to correct an appraisal roll or a protest filed on or after the effective date.*

**HB 1887** and **SB 1404** amend subsection (g) to increase the period of time that a property owner or the chief appraiser



may file lawsuits from 45 to 60 days after receiving notice of a determination by the ARB.

*Effective June 17, 2011 (SB 1404). Effective September 1, 2011 (HB 1887). HB 1887 applies only to a motion to correct an appraisal roll or a protest filed on or after the effective date while SB 1404 applies to a suit to compel an ARB to order a change in an appraisal roll filed on or after the effective date.*

**HB 1887** and **HB 2220** amend subsection (g) to allow a property owner or chief appraiser to file lawsuits concerning compliance with Section 25.26.

*Effective June 17, 2011 (HB 2220). Effective September 1, 2011 (HB 1887). Both apply to a motion to correct an appraisal roll or a protest filed on or after the effective date.*

**SB 1341** amends subsection (g) to prohibit a taxing unit from being made a party to a suit filed by a property owner or chief appraiser under this subsection.

The bill adds subsections (g-1) and (g-2) to provide for the mailing of hearing notices to the collector for each taxing unit that imposes taxes on the property not later than the 45th day before the hearing concerning compliance with Section 42.08. A taxing unit may intervene in such suits and participate in the proceedings for the limited purpose of determining the property owner's compliance.

*Effective May 20, 2011, but applies only to a suit under subsection (g) that is filed on or after the effective date and subsection (g-2) applies to a suit under subsection (g) that is filed on or after the effective date or is pending on the effective date.*

## Chapter 26. Assessment

### Section 26.05

**SB 1 (1st CS)** amends subsection (a)(1) to provide that school districts must use the calculated (rather than the published) debt rate as one of the required components of the adopted tax rate.

*Effective September 28, 2011.*

### Section 26.08

**SB 1 (1st CS)** clarifies subsection (i) by deleting state funds that will be distributed to the school district under Education Code Section 42.2516 from the school district effective tax rate calculation. The subsection continues to require the inclusion of state funds distributed to the school district under Education Code Chapter 42 in the effective tax rate calculation.

The bill repeals subsections (i-1) and (j) regarding certain specifications related to the effective tax rate calculation.

*Effective September 1, 2017.*

**SB 1303** amends subsection (p) to replace the phrase "the district adopted" with "a school district adopted."

*Effective September 1, 2011.*

### Section 25.26

**HB 1887** and **HB 2220** add this section to provide that delinquency dates for property taxes are unaffected by pending motions filed under Section 25.25. The delinquency date applies, however, only to the amount of taxes that are not in dispute. If the property owner pays the taxes not in dispute, the delinquency date for any additional amount of taxes due on the property is determined under Section 42.42(c) and that additional amount is not delinquent before that date.

The bill requires that a property owner who files a motion under Section 25.25 must, before the delinquency date, pay the amount of taxes due on the portion of the taxable value of the property that is the subject of the motion and that is not in dispute, or forfeit the right to proceed to a final determination. The ARB may excuse this requirement based on an oath of inability to pay.

The bill provides that a property owner who pays an amount of taxes greater than required does not forfeit the right to a final determination of the motion by making the payment. If the property owner makes a timely motion under Section 25.25, taxes paid on the property are considered paid under protest, even if paid before the motion is filed.

*Effective June 17, 2011 (HB 2220). Effective September 1, 2011 (HB 1887). Both apply only to a motion to correct an appraisal roll or a protest filed on or after the effective date.*

### Section 26.09

**SB 551** amends this section to provide that back taxes assessed do not incur interest on an improvement to real property that escaped taxation if, for that year, the land on which the improvement is located did not escape taxation. The CAD must have actual or constructive notice of the improvement (a building permit for the improvement is issued by an appropriate governmental entity). The property owner must also pay all back taxes not later than the 120th day after the date the tax bill for the back taxes for the improvement is sent.

For an appeal regarding back taxes for an omitted improvement that is in binding arbitration under Chapter 41A or under judicial review in Chapter 42 that is pending during this deadline, the property owner is considered to have paid the back taxes by that date if he or she pays the amount of undisputed taxes.

*Effective September 1, 2011, but applies only to an omitted improvement included in a tax bill that is first sent to the property owner on or after the effective date.*

### Section 26.10

**SB 201** adds subsection (c) to provide a calculation for the taxes due on a residence homestead when the appraisal roll



shows that the disabled veteran exemption under Section 11.131 terminated during the year. The tax due is the product of the amount of taxes that otherwise would be imposed for the entire year had the individual not qualified for the exemption, multiplied by a fraction, the denominator of which is 365 and the numerator of which is the number of days that elapsed after the date the exemption terminated.

*Effective January 1, 2012, but applies only to an ad valorem tax year that begins on or after the effective date.*

### Section 26.1125

**SB 201** adds this section to provide a calculation for the taxes due on a residence homestead if a person qualifies for the disabled veteran exemption under Section 11.131 after the beginning of a tax year. The tax due for the tax year is the product of the amount of taxes that otherwise would be imposed for the entire year had the individual not qualified for the exemption, multiplied by a fraction, the denominator of which is 365 and the numerator of which is the number of days that elapsed before the date the person qualified for the exemption.

If a person qualifies for an exemption under Section 11.131 after the tax due is calculated, and the qualification would reduce the amount of the tax due, the tax assessor-collector for each taxing unit must recalculate the amount of the tax due on the property and correct the tax roll. If a tax bill has been mailed but not paid, the assessor-collector would have to mail a corrected tax bill to the person in whose name the property is listed on the tax roll, or to the person's authorized agent. The assessor-collector for the taxing unit has to refund paid taxes by

the amount by which the payment exceeded the tax due if the tax on the property has been paid.

*Effective January 1, 2012, but applies only to an ad valorem tax year that begins on or after the effective date.*

### Section 26.16

**HB 2338** amends this section to require the county assessor-collector for each county that maintains an Internet website to post on the county website the following information for the most recent five tax years, beginning with the 2012 tax year, for each taxing unit all or part of which is located in the county:

- the adopted tax rate;
- the maintenance and operations rate;
- the debt rate;
- the effective tax rate;
- the effective maintenance and operations rate; and
- the rollback tax rate.

Each taxing unit is required to provide the specified information to the county assessor-collector annually following the adoption of a tax rate by the taxing unit for the current tax year. The bill requires this information to be presented in a table under the heading "Truth in Taxation Summary." The county assessor-collector must post immediately below the table a prescribed statement describing the table and defining each element in the table. The Comptroller is required to prescribe by rule the manner in which the information is required to be presented.

*Effective September 1, 2011.*

## Chapters 31–34. Collections and Delinquency

### Chapter 31

#### Section 31.01

**SB 551** adds subsection (c-2) to provide that, for a tax bill that includes back taxes on an improvement that escaped taxation in a prior year, the tax bill or the separate statement accompanying the tax bill must state that no interest is due on the back taxes if those back taxes are paid not later than the 120th day after the date the tax bill is sent.

*Effective September 1, 2011, but applies only to an omitted improvement included in a tax bill that is first sent to the property owner on or after the effective date.*

**HB 843** amends subsection (g) to provide that failure to send or receive a tax bill when delivered electronically does not affect the validity of the tax, penalty, interest, the due date, the existence of a tax lien or any other procedure instituted to collect a tax.

The bill amends subsection (i-1) to provide that, if an assessor delivers a tax bill by electronic means to a mortgagee of a property, the assessor is not required to mail or deliver by electronic means a copy of the bill to any mortgagor or to the mortgagor's authorized agent.

Subsection (j) is amended to specify that, if a tax bill is delivered by electronic means to a mortgagee of a property, the mortgagee shall mail a copy of the bill to the owner of the property not more than 30 days following the mortgagee's receipt of the bill.

The bill adds subsection (k) to require an assessor for a taxing unit to send tax bills by electronic means if, on or before September 15, the individual or entity entitled to receive the tax bill and the assessor enter into an agreement for the delivery of a tax bill by electronic means. An assessor who enters into such an agreement is not required to mail the tax bill by regular mail. The bill specifies the form and content of the agreement and requires that the agreement remain in effect for all subsequent tax bills until revoked in writing by an authorized individual.

The bill adds subsection (l) to authorize the Comptroller to prescribe acceptable media, formats, content and methods for the delivery of tax bills by electronic means, and to provide a model form agreement. The bill makes other conforming changes.

The bill conforms subsection (a) to added subsection (k) to provide another exception (electronic mail) to the requirement to mail tax bills.

*Effective January 1, 2012.*



## Section 31.03

HB 2702 amends subsection (d) to increase the population brackets that define the single county to which the subsection applies.

*Effective September 1, 2011.*

## Section 31.031

SB 1 (1st CS) amends subsection (a) to provide that the existing provision that allows for installment payments on residence homesteads applies to an unmarried surviving spouse of a disabled veteran who qualified for an exemption under Section 11.22.

*Effective January 1, 2012 and applies only to an ad valorem tax year that begins on or after the effective date.*

## Section 31.032

SB 432 modifies subsection (c) to decrease from 12 percent to 6 percent the penalty incurred if a person fails to make an installment payment before the applicable date on real property in a disaster area.

*Effective September 1, 2011, but applies only to the penalty for a failure to make a timely installment payment of taxes that occurs on or after the effective date.*

## Section 31.05

HB 2169 adds subsection (d) to authorize the governing body of a taxing unit to rescind a discount for property taxes paid by specified dates if the governing body had previously adopted the discount by official action. The rescission of a discount takes effect in the tax year following the year in which the discount is rescinded.

*Effective June 17, 2011.*

## Chapter 32

### Section 32.06

SB 762 amends subsection (a-3) to provide that, when a tax lien transfer has been authorized by a property owner for one or more prior years on the same property for both delinquent and non-delinquent taxes, a collector is authorized (rather than required) to certify in one document that the transferee has paid the delinquent and non-delinquent taxes, penalties and interest on behalf of the property owner.

Subsection (d-1) is amended to provide that the right of rescission under federal regulation 12 C.F.R. Section 226.23 applies to transfers of a tax lien on residential property owned and used by the property owner for personal, family or household purposes.

The bill adds subsection (e-1) to prohibit a transferee from charging a fee for any expenses arising after closing, including collection costs, except for specified fees and interest.

Subsection (e-2) is added to provide that a contract between the property owner and transferee may provide for interest

for default if any part of the installment remains unpaid after the 10th day after the date the installment is due, including Sundays and holidays. If a transferred lien is on certain residential property, the additional interest is capped at five cents for each \$1 of a scheduled installment.

The bill amends subsection (f-3) to provide that a transferee is not required to release payoff information unless the notice contains the information prescribed by the Texas Finance Commission.

Subsection (j) is amended to strike a provision regarding attorney's fees.

*Effective September 1, 2011, but applies only to the transfer of an ad valorem tax lien that occurs on or after the effective date.*

## Chapter 33

### Section 33.06

SB 5 adds subsection (g) to provide that, for the collection of deferred taxes on a residence homestead of an elderly or disabled person, if the ownership interest of an individual entitled to this deferral is a life estate, a lien for the deferred tax attaches to the estate of the life tenant (and not to the remainder interest) when the owner of the remainder is an institution of higher education that has not consented to the deferral. This subsection does not apply to a deferral for which a qualified individual filed an affidavit before September 1, 2011.

*Effective June 17, 2011.*

### Section 33.08

HB 499 amends subsection (b) to permit a local government to charge an additional penalty on taxes that become delinquent to defray the cost of collecting the delinquent taxes.

*Effective June 17, 2011, but applies only to additional penalties on taxes that become delinquent on or after the effective date.*

### Section 33.22

HB 930 amends subsection (c) to require a court to issue a tax warrant for seizure of personal property to satisfy a delinquent tax if the tax warrant applicant shows by affidavit that (in addition to other conditions in current law) the property is about to be sold at a liquidation sale in connection with the cessation of a business.

*Effective June 17, 2011, but applies only to an application for a tax warrant filed on or after the effective date.*

### Section 33.445

SB 762 amends this section to provide that a property owner's authorization is not required for certain tax lien transfers from a taxing unit joined with tax lien transferees in a foreclosure suit to a transferee.

*Effective September 1, 2011, but applies only to the transfer of an ad valorem tax lien that occurs on or after the effective date.*



### Section 33.52

HB 1118 conforms subsection (d) to new Section 34.05(k) by providing an exception to the provision that a taxing unit's claim for taxes that become delinquent after the date of the judgment is not affected by the entry of the judgment or a tax sale conducted under that judgment.

*Effective June 17, 2011, but applies to real property sold to a taxing unit that is a party to a judgment to foreclose a tax lien regardless of whether the judgment was entered before, on, or after the effective date.*

## Chapter 34

### Section 34.03

SB 886 amends subsection (c) to provide that local government records regarding tax sales can be stored electronically in addition to or instead of source documents in paper or other media.

*Effective September 1, 2011.*

### Section 34.04

HB 1674 amends subsection (a) to include a Title IV-D agency as an entity allowed to file a petition claiming excess proceeds in a tax sale.

*Effective September 1, 2011.*

## Chapter 41. Local Review

### Section 41.411

HB 1887 and HB 2220 amend subsection (c) to require that a property owner who protests as provided by this section must comply with the payment requirements of Section 41.4115 (rather than 42.08) or forfeit his or her right to a final determination of the protest. The bill strikes the language requiring a postponement of the delinquency date to the 125th day after the date upon which one or more taxing units first delivered written notice of the taxes due on the property.

*Effective June 17, 2011 (HB 2220). Effective September 1, 2011 (HB 1887). Both apply only to a motion to correct an appraisal roll or a protest filed on or after the effective date.*

### Section 41.4115

HB 1887 and HB 2220 add this section to provide that delinquency dates for property taxes are unaffected by pending protests filed under Section 41.411. The delinquency date applies, however, only to the amount of taxes that are not in dispute and is postponed to the 125th day after the date one or more taxing units first delivered written notice of the taxes due. If the property owner pays the taxes not in dispute, the delinquency date for any additional amount of taxes due on the property is determined under Section 42.42 (c) and that additional amount is not delinquent before that date.

### Section 34.05

HB 1118 adds subsection (j) to provide that, if property is sold to a taxing unit that is a party to a foreclosure judgment, the taxing unit may sell the property at a private sale for an amount equal to or greater than its market value as shown on the most recent certified appraisal roll if the sum of the amount of the judgment plus post-judgment taxes, penalties and interest exceeds the market value and each taxing unit entitled to receive proceeds of the sale consents to the sale for that amount.

The bill adds subsection (k) to provide that a sale under subsection (j) discharges and extinguishes all liens foreclosed by the judgment and, with the exception of the prorated tax for the current year, the liens for post-judgment taxes. The bill provides for the conveyance of the deed, remaining rights of redemption and other obligations. The deed must state that the liens foreclosed by the judgment and the post-judgment tax liens are discharged and extinguished by virtue of the conveyance.

The bill adds subsection (l) to provide that a taxing unit that does not consent to a sale under subsection (j) is liable to the taxing unit that purchased the property for a *pro rata* share of the costs incurred by the purchasing taxing unit for maintenance and other specified costs. The bill also specifies how the *pro rata* share is calculated.

*Effective June 17, 2011, but applies to real property sold to a taxing unit that is a party to a judgment to foreclose a tax lien regardless of whether the judgment was entered before, on, or after the effective date.*

The bills require that a property owner who files a protest under Section 41.411 must pay, before the delinquency date, the amount of taxes due on the portion of the taxable value of the property that is the subject of the protest and that is not in dispute, or forfeit the right to proceed to a final determination. The ARB may excuse this requirement based on an oath of inability to pay.

The bills provide that a property owner who pays an amount of taxes greater than required does not forfeit the right to a final determination of the protest by making the payment. If the property owner files a timely protest under Section 41.411, taxes paid on the property are considered paid under protest, even if paid before the motion is filed.

*Effective June 17, 2011 (HB 2220). Effective September 1, 2011 (HB 1887). Both apply only to a motion to correct an appraisal roll or a protest filed on or after the effective date.*

### Section 41.44

HB 2476 amends subsection (a) to require that a heavy equipment dealer file must a written notice of protest of a determination of refund under Section 23.1243 not later than the 30th day after the date the notice of the determination is delivered to the property owner.

*Effective January 1, 2012, but applies only to ad valorem taxes imposed for a tax year beginning on or after the effective date.*



**HB 1887** adds subsection (e) to provide that a notice of protest is not untimely or insufficient based on a finding of incorrect ownership if the notice identifies as the property owner a person for the tax year at issue or uses a misnomer of a person who is:

- an owner of the property at any time during the tax year;
- the person shown on the appraisal records as the owner of the property (if that person filed the protest);
- a lessee authorized to file a protest; or
- an affiliate of or entity related to a person described above.

*Effective September 1, 2011, but applies only to a protest that is pending on the effective date or is filed on or after the effective date.*

### Section 41.45

**HB 1887** and **SB 1546** amend subsection (e-1) to grant a new hearing to a property owner's agent who fails to appear at a hearing if the agent files within four days after the date of the hearing a written statement with an ARB showing good cause and requesting a new hearing.

## Chapter 42. Judicial Review

### Section 42.01

**HB 1887** and **HB 2220** amend this section to permit an appeal of an ARB determination that the property owner forfeited the right to a final determination of a motion filed under Section 25.25 or of a protest under Section 41.411 for failing to comply with the applicable prepayment requirements.

*Effective June 17, 2011 (HB 2220). Effective September 1, 2011 (HB 1887). Both apply only to a motion to correct an appraisal roll or a protest filed on or after the effective date.*

**HB 2476** amends this section to permit an appeal of an ARB determination of eligibility for a refund requested under Section 23.1243.

*Effective January 1, 2012, but only to ad valorem taxes imposed for a tax year beginning on or after the effective date.*

### Section 42.016

**HB 1887** adds this section to specify that a person is entitled to intervene in a property tax district court appeal and has standing, and the court has jurisdiction, if the property at issue was the subject of a protest hearing and the person owned the property at any time during the tax year at issue, leased the property during the tax year at issue and filed the protest that resulted in the case, or is shown on the appraisal roll as the owner or as a lessee authorized to file a protest and the person filed the protest that resulted in the issuance of the order under appeal.

*Effective September 1, 2011, but applies only to an appeal that is pending on the effective date or is filed on or after the effective date.*

*Effective September 1, 2011. SB 1546 applies only to a protest under Chapter 41, Tax Code, that is filed on or after effective date.*

### Section 41.47

**HB 1887** adds subsection (c) to require that an ARB must state the appraised value of the property as shown in the appraisal records submitted to the board and as finally determined by the board in an order determining protest.

*Effective September 1, 2011, but applies only to a protest that is pending on the effective date or is filed on or after the effective date.*

**HB 2476** adds subsection (c) to require an ARB to order the chief appraiser to deliver a written notice to the tax collector and a heavy equipment dealer of a determination that the dealer is entitled to a refund of property taxes paid on a heavy equipment fleet transaction sale in excess of what the chief appraiser determined.

*Effective January 1, 2012, but applies only to ad valorem taxes imposed for a tax year beginning on or after the effective date.*

### Section 42.21

**HB 1887** amends subsection (b) to provide that a petition for review may not be brought against the ARB. If a petition for review is brought against the ARB, the bill allows the CAD attorney to represent the ARB only to file an answer and obtain a dismissal of the suit.

*Effective September 1, 2011.*

### Section 42.226

**HB 1887** adds this section to require that a court, on a motion by a party to an appeal, must enter an order requiring the parties to attend mediation. The court may order mediation on its own motion.

*Effective September 1, 2011, but applies only to an appeal that is pending on the effective date or is filed on or after the effective date.*

### Section 42.23

**HB 1887** adds subsection (f) to provide that a no-evidence motion may be denied based on the offer of evidence by any person that was presented at the ARB hearing.

The bill also adds subsection (g) to require that for the sole purpose of admitting expert testimony to determine the value of chemical processing or utility property in an appeal and for no other purpose, including a rendition, the property is considered personal property.

*Effective September 1, 2011, but applies only to an appeal that is pending on the effective date or is filed on or after the effective date.*



### Section 42.30

**HB 1887** adds this section to require an attorney who accepts an engagement or compensation from a third party to represent a person in an appeal to provide notice to the person represented. The notice must inform the person that the attorney has been retained by the third party to represent the person, and explain the attorney's ethical obligations and other relevant facts. The bill specifies deadlines and other matters related to the required notice. A person may void an agreement that does not comply with this section. An attorney who does not comply with this section may be reported to the Office of Chief Disciplinary Counsel for the State Bar of Texas.

*Effective September 1, 2011, but applies only to a violation committed on or after the effective date.*

### Section 42.43

**HB 1090** amends subsection (b) to require that interest on any refund to a property owner based on the final determination of an appeal to district court be calculated at an annual rate equal to the sum of 2 percent and the most recent prime rate quoted and published by the Federal Reserve Board as of the first day of the month in which the refund is made; the rate may not be more than 8 percent.

*Effective September 1, 2011, but applies only to refunds made pursuant to appeals filed on or after the effective date.*

**HB 1887** amends subsection (h) to require that, for each appeal to which he or she is a party, a property owner must file with a taxing unit a separate form specifying the person to whom a refund must be sent.

*Effective September 1, 2011.*

## Chapter 111. Collection Procedures

### Sections 111.301, 111.302, 111.303 and 111.304

**SB 1 (1st CS)** repeals Subchapter F, Tax Refund for Economic Development.

*Effective October 1, 2011. The repeal does not affect an eligible person's right to claim a refund of state sales and use and state franchise taxes that was established under Section 111.301, Tax Code, in relation to taxes paid before the effective date in a calendar year for which the person paid ad valorem taxes to a school district as*

*provided by Section 111.301, Tax Code, before the effective date of this article. An eligible person's right to claim a refund of state sales and use and state franchise taxes that was established under Section 111.301, Tax Code, in relation to taxes paid before the effective date in a calendar year for which the person paid ad valorem taxes to a school district as provided by Section 111.301, Tax Code, before the effective date of this article is governed by the law in effect on the date the right to claim the refund was established, and the former law is continued in effect for that purpose.*

## Chapter 311. Tax Increment Financing

### Section 311.002

**HB 2853** amends the definition of project costs to mean expenditures made or estimated to be made and monetary obligations incurred or estimated to be incurred by the municipality or county designating (rather than establishing) a reinvestment zone that are listed in the project plan as costs of public works, public improvements, programs or other projects benefiting the zone (added by the bill), plus other costs incidental to those expenditures and obligations. The bill also adds to the examples of items included as project costs:

- the actual cost of the remediation of conditions that contaminate public or private land or buildings;
- the actual costs of the preservation of the façade of a public or private building;
- the actual costs of the demolition of public or private buildings; and
- the costs of school buildings, other educational buildings, other educational facilities or other buildings owned by or on behalf of a school district, community college district or other political subdivision of this state.

*Effective June 17, 2011, but applies to all costs regardless of when they were incurred.*

### Section 311.003

**HB 2853** amends subsection (b) to strike language requiring a city or county proposing a new reinvestment zone to send a copy of its preliminary reinvestment zone financing plan to the governing body of each taxing unit that levies taxes on real property in the proposed zone.

The bill repeals subsections (c), (f) and (g), which required a city or county that designates a reinvestment zone to make certain notifications about the proposed zone to taxing units; allowed the taxing units to make certain requests of the designating city or county; and required certain meetings between the designating city or county and the other taxing units.

*Effective June 17, 2011.*

### Section 311.005

**HB 2853** amends subsection (a) to replace the term "creating" with "designating" in reference to a reinvestment zone, and to add to the list of alternative prerequisites to the designation of a reinvestment zone that an area must be predominantly undeveloped.

*Effective June 17, 2011.*





### Section 311.006

**HB 2853** amends subsection (a) to use the term “designate” rather than “create” in reference to a reinvestment zone and to increase the thresholds for the amount of residential property and total real property (in certain bracketed cities) above which a city may not designate a reinvestment zone.

The bill amends subsection (b) to specify that a city may not change the boundaries of an existing reinvestment zone to include property in excess of the restrictions on the composition of a zone specified in subsection (a).

The bill repeals subsection (c), which provided that a city may not create a reinvestment zone or change its boundaries if the zone contains more than 15 percent of the total appraised value of real property taxable by a county or school district.

*Effective June 17, 2011.*

### Section 311.007

**HB 2853** adds subsection (c) to allow a city or county to extend the term of all or part of a reinvestment zone after proper notice and hearing. Other taxing units are not required to participate in the zone for the extended term unless the taxing unit enters into a written agreement to do so.

*Effective June 17, 2011.*

### Section 311.008

**HB 2853** amends subsection (b) to add to the powers that a city or county may exercise to carry out this chapter (Tax Increment Financing Act) the power to sell real property to implement project plans.

*Effective June 17, 2011.*

### Section 311.009

**HB 2853** amends subsection (a) to allow each taxing unit that levies taxes on real property in a reinvestment zone, other than the city or county that designated the zone, to appoint one member of the board only if the taxing unit has approved the payment of all or part of the tax increment produced by the unit into the tax increment fund.

The bill amends subsection (b) to provide that, if the zone was designated under Section 311.005(a)(4) (petition from property owners), the city or county that designated the zone may provide that the zone’s board of directors consist of nine members appointed as provided by this subsection, unless more than nine members are required to comply with this subsection. The bill replaces “school district, county, or municipality” with “taxing unit” for those entities that can appoint a member to the board if the unit has approved payment into the zone’s tax increment fund. If fewer than seven taxing units, other than the city or county that designated the zone, are eligible to appoint members to the zone’s board of directors, the city or county may appoint a number of members such that the board comprises nine members. If at least seven taxing units, other

than the city or county that designated the zone, are eligible to appoint members to the board, the city or county may appoint one member.

The bill amends subsection (c) to revise the eligibility requirements for a tax increment reinvestment zone board member.

*Effective June 17, 2011.*

### Section 311.0091

**HB 2702** amends subsection (a) to increase the population maximum to 1.8 million.

*Effective September 1, 2011*

**HB 2853** amends subsection (f) to provide an exception under subsection (i) to the eligibility requirements for appointment to a tax increment reinvestment zone board to provide that the board eligibility requirements under subsection (f) do not apply to an individual appointed by a four-county conservation and reclamation district created under Texas Constitution Article XVI, Section 59.

*Effective June 17, 2011.*

### Section 311.010

**HB 2853** amends subsection (g) to provide that Local Government Code Chapter 252 does not apply to a dedication, pledge or other use of revenue in the tax increment fund for a reinvestment zone under agreements to implement the zone’s plans, even if that dedication, pledge or other use was not by the board of directors.

The bill amends subsection (h) to make certain actions of a tax increment reinvestment zone’s board of directors subject to the approval of a city or county (rather than only a city) that designated the zone. The approval is by ordinance or order as applicable.

*Effective June 17, 2011.*

### Section 311.011

**HB 2853** amends subsection (a) to strike the requirement that the project plan and reinvestment zone financing plan be as consistent as possible with the preliminary plans developed for the zone before the creation of the board.

The bill amends subsection (b) to strike the requirement that a project plan include a map showing the proposed improvements to the property, and to insert a requirement for a description of the existing uses and conditions of real property in the zone and its proposed uses.

The bill amends subsection (c) to make several revisions and clarifications to the items that must be included in a reinvestment zone financing plan, including a finding that the plan is economically feasible.

The bill amends subsection (d) to remove from the requirements for an ordinance or order approving a tax increment reinvestment zone project plan the requirement that the



ordinance or order find that the plan conforms to the master plan, if any, of the city, or to subdivision rules and regulations, if any, of the county.

The bill amends subsection (g) to clarify that a school district participating in the tax increment reinvestment zone is not required to increase the percentage or amount of the tax increment to be contributed to the tax increment fund because of an amendment to the project plan or reinvestment zone financing plan.

The bill adds subsection (h) to provide that, unless specifically provided otherwise in the plan, all amounts contained in the project plan or reinvestment zone financing plan are considered estimates and do not act as a limitation on the items, but the amounts in the plans may not vary materially from the estimates. The bill also provides that this subsection may not be construed to increase the amount of any reduction under Government Code Section 403.302(d)(4) in the total taxable value of the property in a school district that participates in the zone as computed under Section 403.302(d).

*Effective June 17, 2011.*

### Section 311.012

**HB 2853** amends subsection (b) to provide that the captured appraised value of real property is the total taxable (rather than appraised) value of all real property taxable by the unit and located in a reinvestment zone for that year, less the unit's tax increment base. The bill amends subsection (c) to provide that the tax increment base of a taxing unit is the total taxable (rather than appraised) value of all real property taxable by the unit and located in a reinvestment zone for the year in which the zone was designated.

The bill also revises subsection (c) to provide for calculating a new tax increment base when the boundaries of a tax increment zone are enlarged or reduced.

*Effective June 17, 2011, but subsection (c) applies only to the determination of the tax increment base of a taxing unit for a tax year beginning on or after the effective date, except that if the tax increment base of a taxing unit for a tax year beginning before the effective date was determined in the manner provided by Section 311.012(c), Tax Code, as amended by this Act, the determination is validated as if the amendment were in accordance with Section 311.012(c), Tax Code, as that section existed immediately before the effective date.*

### Section 311.013

**SB 627** amends subsection (c) to modify the deadline for a taxing unit's payment into a tax increment fund to not later than the 90th day after the later of the delinquency date for the unit's property taxes or the date upon which the municipality or county that created the zone submits an invoice to the taxing unit. In addition, the deadline does not apply if the agreement between the taxing unit and the municipality or county that created the zone specifies otherwise.

The bill adds subsection (f-1) to allow a county commissioners court to enter into a tax increment agreement with a municipality for a reinvestment zone on the behalf of a taxing unit other than the county, if by law that commissioners court either approves the ad valorem tax rate or is required to levy the ad valorem taxes of that taxing unit. The agreement is not required to contain the same conditions as the agreement entered into on behalf of the county.

The bill adds subsection (f-2), providing that a county commissioner's court can provide by order that applicable taxing units pay into the tax increment fund for the zone. The order can include conditions for payment that are different from those conditions applicable to the county's obligation to pay into the fund. Subsections (f-1) and (f-2) do not apply to a hospital district under Health and Safety Code Section 281.095 (including Bexar County Hospital District, Nueces County Hospital District, El Paso County Hospital District and Harris County Hospital District). These subsections also do not authorize a commissioners court to enter into an agreement or order payment into a tax increment fund solely because the county tax assessor-collector is required by law to assess or collect the other taxing unit's ad valorem taxes.

*Effective June 17, 2011, but applies only to a taxing unit's tax increment for a period occurring on or after the effective date.*

**HB 2853** repeals subsection (d) and (e), which provided that a taxing unit is not required to pay a tax increment into the tax increment fund under certain specified conditions.

The bill amends subsection (f) to provide that a taxing unit's agreement to pay a portion of its tax increment into the tax increment fund may specify the projects to which its tax increment will be dedicated, and that the taxing unit's participation may be computed with respect to a base year later than the original base year of the zone.

The bill amends subsection (l) to allow a county (previously only a city) that designates a tax increment reinvestment zone to determine the portion of its tax increment that it will pay into the tax increment fund.

*Effective June 17, 2011.*

**SB 1 (1st CS)** amends subsection (n) to prohibit the additional amount that a school district is required to pay into a tax increment fund to offset post-2005 tax reductions from exceeding the amount the school district receives in state aid for the current tax year under Education Code Section 42.2514. A school district is required to pay the additional amount after receiving the state aid to which it is entitled under that section for the current year.

*Effective September 28, 2011.*

**HB 2702** amends subsection (m) to increase the population bracket to 1.8 million to 1.9 million (formerly 1.4 million to 2.1 million).

*Effective September 1, 2011.*



### Section 311.015

HB 2853 amends subsection (a) to allow a city designating a reinvestment zone to use the proceeds from tax increment bonds or notes to make payments pursuant to agreements made under Section 311.010(b).

The bill amends subsection (l) to provide that a tax increment bond or note must mature on or before the date on which the final payments of tax increment into the tax increment fund are due (rather than within 20 years of the issuance date).

*Effective June 17, 2011.*

### Section 311.016

HB 2853 amends subsection (a) to require the city or county to submit, on or before the 150th day (rather than the 90th day) after the end of each fiscal year, a reinvestment zone status report to each taxing unit that levies property taxes in the zone.

*Effective June 17, 2011.*

HB 1781 and HB 2853 amend subsection (b) to strike the Attorney General from the entities to whom a city or county is

required to send a copy of the annual reinvestment zone status report.

*Effective June 17, 2011 (both HB 1781 and HB 2853).*

### Section 311.017

HB 2702 amends subsection (a-1) to revise the population brackets to more than 220,000 but less than 235,000 (formerly 195,000 or more).

*Effective September 1, 2011.*

### Section 311.021

HB 2853 adds this section to provide that, under certain specified conditions and subject to certain limitations, past actions of cities and counties relating to the designation, operation or administration of a reinvestment zone or the implementation of a project plan or reinvestment zone financing plan are conclusively presumed, as of the date they occurred, to be valid and to have occurred in accordance with all applicable statutes and rules.

*Effective June 17, 2011.*

## Business Organizations Code

### Section 5.257

SB 582 allows a process, notice or demand for the collection of delinquent ad valorem tax to be served on a domestic or foreign limited liability company (LLC) whose right to transact business in this state is forfeited under Section 171.2515; a corporation or an LLC that involuntarily terminated under Chapter 11 (Winding Up and Termination of Domestic Entity); or a corporation or an LLC whose registration is revoked under

Chapter 9 (Foreign Entities). If the managers or members of an LLC are unknown or cannot be found, service on the LLC may be made in the same manner as service is made on unknown shareholders under law. Service of process is sufficient for a judgment against an LLC or a judgment *in rem* against any property to which the LLC holds title.

*Effective September 1, 2011, but applies only to service of process issued on or after the effective date.*

## Civil Practices and Remedies Code

### Section 17.091

SB 582 adds subsection (f) to define "nonresident," for the purposes of a suit to collect delinquent property taxes by the state or political subdivision in which a defendant is a non-resident, to mean an individual who is not a resident of this state and is one of the specified organizational structures that is foreign.

*Effective September 1, 2011, but applies only to service of process issued on or after the effective date.*

### Section 30.018

SB 886 adds this section to allow court clerks who are required to enter information into an execution docket to enter and maintain such information in an electronic format that allows indexed or cross-indexed retrieval.

*Effective September 1, 2011.*

## Education Code

### Section 21.4022

SB 8 (1st CS) adds this section regarding the required process for the development of a furlough program or other salary reduction proposal. Subsection (c) requires the board of trustees to hold a public meeting at which the board and school district administration present information regarding the options

considered for managing the district's available resources (including consideration of a tax rate increase and use of the district's available fund balance) and information regarding the local option residence homestead exemption.

*Effective September 28, 2011.*



### Section 42.009

**SB 8 (1st CS)** adds this section regarding the commissioner of education's annual determination of school district funding levels compared to the amount provided to the district in the 2010-2011 school year. Subsection (b) requires the commissioner to make adjustments as necessary to reflect changes in a school district's maintenance and operations tax rate.

*Effective September 28, 2011.*

### Section 42.2514

**SB 1 (1st CS)** adds this section to provide that a school district is entitled to state aid equal to the amount the district is required to pay into the tax increment fund for a reinvestment zone under Tax Code Section 311.013(n).

*Effective September 28, 2011.*

### Section 42.2516

**SB 1 (1st CS)** renames this section as "State Compression Percentage" instead of "Additional State Aid for Tax Reduction."

*Effective September 1, 2017.*

**SB 1 (1st CS)** amends subsection (a) to require the commissioner of education to determine the state compression percentage only for a school year for which the state compression percentage is not set by appropriation.

*Effective September 28, 2011 and September 1, 2017.*

**SB 1 (1st CS)** adds subsection (b-2) to require the commissioner of education, if a school district adopts a maintenance and operations tax rate that is below the compressed rate, to reduce the school district's entitlement in proportion to the amount by which the adopted rate is less than the compressed rate. (The compressed rate is the product of the state compression percentage multiplied by the maintenance and operations tax rate adopted by the district for the 2005 tax year). This reduction is required beginning with the maintenance and operations tax rate adopted for the 2009 tax year. The bill repeals this subsection effective September 1, 2017.

*Effective September 28, 2011.*

## Election Code

### Section 52.072

**HB 360** adds new subsection (e) to require a proposition seeking voter approval of the imposition, increase or reduction of a tax, or the issuance of bonds, to include a description of and the total principal amount of the proposed bonds, or:

- for a tax rate increase, the amount of the tax increase or maximum tax rate, or

**SB 1 (1st CS)** amends subsections (b), (d) and (f-2) and adds subsection (i) to require the application of a percentage to certain state revenue entitlements. The percentage is 100 percent for the 2011-2012 school year and 92.35 percent for the 2012-2013 school year. For subsequent school years, the percentage must be set by the Legislature by appropriation.

*Effective September 28, 2011.*

**SB 1 (1st CS)** repeals subsections (b-1), (b-2), (c), (d), (e), (f), (f-1), (f-2), (f-3) and (i), relating to a school district's entitlement to funding if it imposes a maintenance and operation tax at least equal to the product of the state compression rate multiplied by the district's 2005 maintenance and operation tax rate.

*Effective September 1, 2017.*

### Section 44.004

**SB 1 (1st CS)** adds subsection (g-1) to specify that, if a school district's debt rate decreases after publication of the required notice of a public meeting to discuss the school district budget and proposed tax rate, no additional notice or meeting is required.

*Effective September 28, 2011, but applies beginning with adoption of a tax rate for the 2011 tax year.*

### Section 45.105

**HB 2702** amends subsection (e) to allow a school district that governs a junior college district under Subchapter B, Chapter 130, in a county with a population of more than 2 million (rather than 1.5 million), to dedicate a specific percentage of the local tax levy to the use of the junior college district for specified purposes and subject to certain limitations.

*Effective September 1, 2011.*

### Section 130.065

**SB 1226** amends subsection (g) to modify the required language on a ballot for the annexation of territory for a junior college district to include a specified statement regarding the imposition of an ad valorem tax for junior college purposes that contains the current tax rate if it has been adopted or, if the rate has not been adopted, the tax rate for the preceding year.

*Effective September 1, 2011, but applies only to the ballot for an election ordered to be held on or after the effective date.*

- for a tax rate decrease, the amount of tax rate reduction or the reduced tax rate for which approval is sought.

*Effective September 1, 2011, but applies only to an election ordered on or after the effective date.*

### Sections 142.010, 161.008, 192.033 and 274.003

**HB 2477** makes identical amendments to each of these sections to require the Secretary of State to include with certain



certifications appropriate ballot translation language for each language certified statewide or in a specific county by the director of the census under 42 U.S. Code 1973aa-1a.

*Effective September 1, 2011.*

### Section 272.011

HB 2477 adds this section to require political subdivisions to provide certain election materials in each language the census

director determines is necessary under 42 U.S. Code 1973aa-1a. The Secretary of State is required to prepare translations for certain state prescribed voter forms in each of those languages other than English and Spanish.

*Effective September 1, 2011.*

## Finance Code

### Section 351.0021

SB 762 adds this section to provide that a contract between a property tax lender and property owner can require the property owner to pay specified costs after closing. A property tax lender is required to provide a property owner one free copy of the transaction documents at closing and an additional free copy upon request. A property tax lender is prohibited from charging any interest that is not expressly authorized under Tax Code Section 32.06, and is prohibited from charging any fee (other than interest) after closing unless the fee is expressly authorized under this section. After closing, a property tax lender can charge only for services performed by a person who is not an employee of the lender (except for specified charges). The Finance Commission may adopt rules to implement this section.

*Effective September 1, 2011, but applies only to the transfer of an ad valorem tax lien that occurs on or after the effective date.*

### Section 351.006

SB 762 amends this section to authorize the consumer credit commissioner to assess an administrative penalty against a person who violates Tax Code Section 32.06(b-1), relating to the requirement that a transferee send a copy of the sworn document under Tax Code Section 32.06(a-1) to any mortgage service and holders of a recorded first lien, regardless of whether the violation is knowing or wilful.

*Effective September 1, 2011, but applies only to the transfer of an ad valorem tax lien that occurs on or after the effective date.*

### Section 351.051

SB 762 amends this section to modify the requirement that a person must hold a property tax lender license to contract for, charge or receive, in connection with a property tax loan, a charge, interest, compensation, consideration or another expense authorized under this chapter or Tax Code Chapter 32.

*Effective September 1, 2011, but applies only to the transfer of an ad valorem tax lien that occurs on or after the effective date.*

## Government Code

### Sections 325.011 and 325.012

HB 1781 requires the Sunset Advisory Commission to review and make recommendations on the continuation or abolition of each agency's reporting requirement as part of the sunset review process.

*Effective June 17, 2011.*

### Section 402.006

HB 2866 adds subsection (d) to authorize the Attorney General to charge and collect a nonrefundable administrative convenience fee for the electronic submission of a document to the Attorney General. The fee is in addition to any other fee the Attorney General may assess. The Attorney General may adopt rules necessary to administer this fee. This subsection expires September 1, 2015.

*Effective June 17, 2011, but applies only to a fee for a document electronically submitted to the Office of the Attorney General on or after the effective date.*

### Section 403.302

HB 2853 amends subsection (d)(4) to continue the effect of that subsection by changing the reference to Section 311.003(e) to "former Section 311.003(e)," because that section is repealed by this bill. Section 403.302(d)(4) limits the amount of reinvestment zone captured appraised value that may be deducted in the Comptroller's Property Value Study.

*Effective June 17, 2011.*

HB 2853 and SB 1303 amend subsection (m) to make a technical correction to a referenced subsection.

*Effective June 17, 2011 (HB 2853). Effective September 1, 2011 (SB 1303).*

HB 3465 adds subsection (e-1), which applies only to a municipality that has a population of 70,000 or less and is located in a county in which all or part of a military installation is located, to provide that, for a city that extends a reinvestment zone termination date on or after January 1, 2017, the limitation on the number of years for which a deduction may be made in the



Comptroller's Property Value Study under subsection (d)(4) is governed by the duration of the zone as determined under Section 311.017 rather than subsection (e).

*Effective September 1, 2011.*

### Section 411.1296

**SB 682** changes the heading of the section to: *Access To Criminal History Record Information: Employment By Appraisal District And Appointment To Appraisal Review Board*. The bill amends subsection (a) to authorize a CAD to obtain Department of Public Safety criminal history records related to a person applying for appointment to an ARB.

The bill also adds subsection (c) to authorize the CAD to provide the local administrative district judge or the ARB commissioners the criminal history record information obtained under this section if the ARB members are appointed by the local administrative district judge.

*Effective June 17, 2011.*

### Section 441.168

**HB 1844** amends subsection (a) to allow the director and librarian of the state library to store local government records on request of the local government. Previously, only microfilming local government records was allowed.

The bill amends subsection (b) to require the Texas State Library and Archives Commission to establish storage fees sufficient to cover the costs of administering the storage services.

The bill adds subsection (c) to permit the director and librarian of the state library to provide for the economical and efficient storage, accessibility, protection and final disposition of inactive and vital local government records at the state records center.

*Effective June 17, 2011.*

### Section 551.0415

**HB 2313** amends the section to allow a quorum of the governing body of a county (formerly only a city) to receive from its staff, and to allow a member of the governing body to report on, items of community interest during a meeting of the governing body without having given notice of the subject of the report as required by this subchapter if no action is taken and, except as provided by Section 551.042, possible action is not discussed.

*Effective June 17, 2011.*

### Section 551.050

**HB 2313** adds subsection (a) to define electronic bulletin board as an electronic communication system that includes a perpetually illuminated screen on which the governmental body can post messages or notices viewable without manipulation by the public. The bill moves the previous language of the section to subsection (b) and revises it to specify that a city's governing body shall post notice of each meeting on a physical

or electronic bulletin board (formerly just "bulletin board") at a place convenient to the public in the city hall.

*Effective June 17, 2011.*

### Section 551.0725

**HB 1500** amends subsection (a) to provide that the commissioners court of any county (rather than a county with a population of 400,000 or more) may conduct a closed meeting to deliberate business and financial issues relating to a contract being negotiated, if certain preliminary procedures are followed.

*Effective June 17, 2011, but applies only to a meeting held on or after the effective date.*

### Section 552.0215

**SB 1907** creates this section to provide that non-confidential information that is exempted from certain required disclosure is public information and is available to the public on or after the 75th anniversary of the date on which the information was originally created or received by a governmental body, except as provided by provisions related to Social Security numbers, the confidentiality provisions of the Public Information Act or other law. This does not limit the authority of a governmental body to establish retention periods for records.

*Effective September 1, 2011.*

### Section 552.022

**SB 602** amends subsection (a) to provide that a current list of categories of information are public information and not exempted from required disclosure unless made confidential under Government Code Chapter 552 or other law.

Subsection (b) prohibits a court in this state from ordering a governmental body or an officer for public information to withhold from public inspection any category of public information described by subsection (a) or to not produce the category of public information for inspection or duplication, unless the category of information is confidential under Government Code Chapter 552 or other law.

*Effective September 1, 2011, but applies only to a request for information that is received by a governmental body or an officer for public information on or after the effective date.*

### Section 552.024

**SB 1638** amends subsection (a) to add emergency contact information that is in the custody of a governmental body to the types of information for which a current or former employee or official of the governmental body is required to choose whether to allow public access.

*Effective June 17, 2011.*

### Section 552.117

**HB 1046** amends subsection (a) to add to the list of individuals who are not required to disclose their home addresses, home



telephone numbers, Social Security numbers or whether they have family members, a current or former employee of the Attorney General's Office who is or was assigned to a division of that office involved in law enforcement.

*Effective June 17, 2011.*

**SB 1638** amends subsection (a) to add emergency contact information of specified persons to the types of information excepted from disclosure under Section 552.021.

*Effective June 17, 2011.*

### Section 552.1175

**HB 1046** amends subsection (a) to add to the list of individuals who are not required to disclose home addresses, home telephone numbers, Social Security numbers or information on whether they have family members, a current or former employee of the Attorney General's Office who is or was assigned to a division of that office involved in law enforcement.

*Effective June 17, 2011.*

**SB 1638** amends subsection (b) to add emergency contact information to the types of information considered confidential and that may not be disclosed if the individual to whom the information is related chooses to restrict public access to the information and notifies the governmental body of that choice.

*Effective June 17, 2011.*

### Section 552.130

**SB 1638** amends this section to provide that information relating to motor vehicle operator's licenses, driver's licenses, permits, motor vehicle titles or registrations or personal identification documents issued by another state or country, is not subject to public information requirements.

*Effective June 17, 2011.*

**SB 602** adds subsection (c) to authorize a governmental body to redact certain information from any information the governmental body discloses under Section 552.021 without the necessity of requesting a decision from the Attorney General. This authorization is subject to Transportation Code Chapter 730 and applies to information in Section 552.130(a)(1) and (3) which includes motor vehicle operator's or driver's licenses or permits issued by a Texas state agency and personal identification documents issued by a Texas state agency or a local agency authorized to issue an identification document.

Subsection (d) provides that if a governmental body redacts or withholds information under subsection (c) without requesting an Attorney General decision about whether the information may be redacted or withheld, the requestor is entitled to seek an Attorney General decision about the matter. The Attorney General by rule is required to establish procedures and deadlines for receiving information necessary to decide the matter

and briefs from the requestor, the governmental body, and any other interested person. Not later than the 45th business day after the date the Attorney General received a request for a decision, the Attorney General must promptly render a decision determining whether redacted or withheld information was excepted from required disclosure to the requestor. The Attorney General must issue a written decision and provide a copy to the requestor, the governmental body, and certain interested persons. The requestor or the governmental body may appeal a decision to a Travis County district court.

The bill adds subsection (e) to require a governmental body that redacts or withholds information under subsection (c) to provide to the requestor, on an Attorney General prescribed form, a description of the redacted or withheld information, a citation to this section, and instructions regarding how the requestor may seek an Attorney General's decision regarding whether the redacted or withheld information is excepted from required disclosure.

*Effective September 1, 2011.*

### Section 552.136

**SB 602** adds subsection (c) to authorize a governmental body to redact information that must be withheld under subsection (b) from any information the governmental body discloses under Section 552.021 without the necessity of requesting a decision from the Attorney General.

Subsection (d) provides that if a governmental body redacts or withholds information under subsection (c) without requesting an Attorney General decision about whether the information may be redacted or withheld, the requestor is entitled to seek an Attorney General decision about the matter. The Attorney General by rule is required to establish procedures and deadlines for receiving information necessary to decide the matter and briefs from the requestor, the governmental body, and any other interested person. Not later than the 45th business day after the date the Attorney General received a request for a decision, the Attorney General must promptly render a decision determining whether redacted or withheld information was excepted from required disclosure to the requestor. The Attorney General must issue a written decision and provide a copy to the requestor, the governmental body, and certain interested persons. The requestor or the governmental body may appeal a decision to a Travis County district court.

The bill adds subsection (e) to require a governmental body that redacts or withholds information under subsection (c) to provide to the requestor, on an Attorney General prescribed form, a description of the redacted or withheld information, a citation to this section, and instructions regarding how the requestor may seek an Attorney General's decision regarding whether the redacted or withheld information is excepted from required disclosure.

*Effective September 1, 2011.*



### Section 552.139

SB 1638 amends this section to add to the list of government information related to security or infrastructure that is confidential, a photocopy or other copy of an identification badge issued to an official or employee of a governmental body.

*Effective June 17, 2011.*

### Section 552.149

SB 1130 amends subsection (e) to increase the county population threshold from 20,000 or more to more than 50,000.

*Effective June 17, 2011.*

SB 1303 amends subsection (d) to reenact this section as added by Chapters 555 and 1153, Acts of the 81st Legislature, Regular Session, 2009.

*Effective September 1, 2011.*

### Section 552.263

SB 602 adds subsection (e-1) to provide that if a requestor modifies a request in response to the requirement of a deposit or bond authorized by this section, the modified request is considered a separate request for the purposes of Government Code Chapter 552 and is considered received on the date the governmental body receives the written modified request.

*Effective September 1, 2011, but applies only to a request for information that is received by a governmental body or an officer for public information on or after the effective date.*

### Section 552.301

SB 602 adds subsection (a-1) to provide that for Government Code Subchapter G, if a governmental body receives a written request by U.S. mail and cannot adequately establish the actual date on which the governmental body received the request, the written request is considered to have been received by the governmental body on the third business day after the date of the postmark on a properly addressed request.

*Effective September 1, 2011, but applies only to a request for information that is received by a governmental body or an officer for public information on or after the effective date.*

### Section 552.309

HB 2866 adds this section to provide that when Government Code Subchapter G requires a request, notice, or other document to be submitted or otherwise given to the Attorney General within a specified period, the requirement is met in a timely fashion if the document is submitted to the Attorney General through the Attorney General's designated electronic filing system within that period. The Attorney General may electronically transmit a notice, decision, or other document. When Government Code Subchapter G requires the Attorney General to deliver a notice, decision, or other document within a specified period, the requirement is met in a timely fashion if the document is electronically transmitted by the Attorney

General within that period. This does not affect the right of a person or governmental body to submit information to the Attorney General under Section 552.308.

*Effective June 17, 2011.*

### Section 2003.902

HB 2203 amends this section to add to the SOAH pilot program Collin, Denton, Fort Bend, Montgomery and Nueces counties for a two-year period, beginning with the ad valorem tax year that begins January 1, 2012. The bill extends the pilot program by one year.

*Effective June 17, 2011.*

### Section 2003.906

HB 2203 amends this section to require as a condition for an appeal to SOAH a deposit of \$1,500 (rather than a \$300 filing fee). The bill requires that this deposit be made payable to SOAH and be filed with the chief appraiser, and provides a deadline for deposits and deposit refunds and consequences for failure to pay the deposit.

*Effective June 17, 2011.*

### Section 2003.912

HB 2203 amends subsection (b) to allow a SOAH determination to include an award of attorney's fees under Tax Code Section 42.29.

*Effective June 17, 2011, but applies only to an appeal filed on or after the effective date.*

### Section 2003.916

HB 2203 amends this section to extend the expiration date of this subchapter (Subchapter Z, regarding taxpayer appeals to SOAH) to 2014.

*Effective June 17, 2011.*

### Section 2051.0441

HB 1812 amends subsection (a) to allow a governmental entity or representative in counties that have no published newspaper described by Section 2051.044 to post a notice in an alternative newspaper described in this section. The bill amends subsection (b) to add to the existing specifications for the alternative newspaper a requirement that the newspaper be entered as periodical (rather than second-class) postal matter in the county where published.

*Effective June 17, 2011.*

### Sections 2051.101, 2051.102 and 2051.103, (Subchapter D)

HB 1147 adds this subchapter to require a governmental entity to include a notice on each geospatial data product that appears to represent property boundaries, if it is created or hosted by





the entity and was not produced by, or under the supervision of, a professional land surveyor.

The notice must state that the geospatial data product is for informational purposes and may not be suitable for legal, engineering or surveying purposes. The notice must further state that the geospatial data product does not represent an on-the-ground survey and is only an approximate representation of property boundaries. The notice is not required for geospatial data products that do not contain a legal description, property markers or the distance and direction of a property line; were prepared only for use as evidence in a legal proceeding; or are filed with the clerk of a court or a county clerk.

*Effective September 1, 2011, but for geospatial data products that are printed documents, Section 2051.102 applies only to a document printed on or after the effective date.*

### **Sections 2052.401, 2052.402 and 2052.403, (Subchapter E)**

HB 1781 adds this subchapter to require the executive director of each state agency to examine the agency's statutory reporting requirements enacted (and not amended) before January 1, 2009, to identify reporting requirements that are unnecessary, redundant or required more often than available data permits. The executive director must send an electronic report containing his or her determinations regarding the reporting requirements, including justifications, to the governor, lieutenant governor, speaker of the House of Representatives and other specified officials or entities. This subchapter expires September 1, 2014.

*Effective June 17, 2011.*

### **Section 2176.201**

HB 266 adds subsection (b) to provide that, if practicable, a state agency must use address-matching software that meets certification standards under CASS adopted by the U.S. Postal Service. If a state agency contracts with a provider for bulk mailing services, the contract must require that the provider use address-matching software that meets or exceeds CASS certification standards.

*Effective September 1, 2011.*

### **Section 2206.001**

HB 364 adds new subsection (b-1) to provide that subsection (b)(3) does not prohibit the taking of private property through the use of eminent domain for economic development if the economic development is a secondary purpose resulting from the elimination of urban blight. This subsection expires December 31, 2016.

*Effective September 1, 2011, but applies only to a condemnation proceeding (and any property condemned through the proceeding) in which the condemnation petition is filed on or after the effective date.*

### **Section 2253.021**

HB 628 adds subsection (h) to prohibit a reverse auction procedure from being used to obtain services related to a public work contract for which a bond is required.

*Effective September 1, 2011, but applies only to a contract or construction project for which a governmental entity first advertises or otherwise requests bids, proposals, offers, or qualifications, or makes a similar solicitation, on or after the effective date.*

### **Section 2256.005**

HB 2226 amends subsection (b) to provide that investment policies of investing entities (including local governments) must include procedures to monitor rating changes in investments acquired with public funds and the liquidation of such investments consistent with the provisions of Section 2256.021.

*Effective June 17, 2011.*

### **Section 2256.007**

HB 2226 amends subsection (d) to require an investment officer to attend a training session at least once each state fiscal biennium, rather than at least once in a two-year period.

*Effective June 17, 2011.*

### **Section 2256.008**

HB 2226 amends subsection (a) and (b) to provide that the two-year period in which an investing entity's officer must take required investment training begins on the first day of the local government's fiscal year and consists of the two consecutive fiscal years after that date.

*Effective June 17, 2011.*

### **Section 2256.009**

HB 2226 amends subsection (a) to provide that authorized investments include obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the U.S.

*Effective June 17, 2011.*

### **Section 2256.010**

HB 2226 amends subsection (b) to provide that authorized investments include funds that are invested by an investing entity through a broker that has its main office or a branch office in the state and is selected from a list adopted by the investing entity; a broker arranged deposit of funds in certificates of deposit in one or more federally insured depository institutions; or an entity under Section 2257.041(d) or a clearing broker-dealer registered with the Securities and Exchange Commission and operating pursuant to federal rule. The bill strikes a provision regarding depository institutions receiving deposits that equal or are greater than the amount of the funds invested by the investing entity through the depository institution.

*Effective June 17, 2011.*



### Section 2256.011

HB 2226 amends subsection (a) to provide that an authorized investment of a fully collateralized repurchase agreement can be secured by a combination of cash and obligations, rather than only obligations.

*Effective June 17, 2011.*

### Section 2256.016

HB 2226 amends subsections (a), (c), and (f) to provide procedures for using investment pools including the investment of money market mutual funds and including a statement of how the yield is calculated in the required monthly report.

The bill adds subsections (i), (j), and (k) to require disclosures and reports on a website if an investment pool has a website; an annual audited financial statement; and stating levels of return when advertising investment rates if the investment pool offers fee breakpoints based on fund balances invested.

*Effective June 17, 2011.*

### Section 2256.019

HB 2226 amends this section to strike the requirement that a public funds investment pool must be continuously rated no lower than investment grade by at least one nationally recognized rating service with a weighted average maturity no greater than 90 days.

*Effective June 17, 2011.*

## Health and Safety Code

### Section 61.002

HB 2315 and SB 1233 amend subdivision (5) to revise the definition of general revenue levy under the Indigent Health Care and Treatment Act. The bill adds the payment of principal or interest on county debt to the list of items for which general revenue property tax levies may not be dedicated. It specifies that the current exclusion from the definition of county property taxes dedicated to the construction and maintenance of farm-to-market roads is referring to those taxes under Texas Constitution Article VIII, Section 1-a.

*Effective June 17, 2011 (HB 2315 and SB 1233).*

### Section 361.126

SB 1258 creates this section to authorize TCEQ to issue a permit by rule authorizing a county or municipality with a population of 10,000 or less to dispose of building demolition waste if the disposal occurs on land that the county or municipality owns or controls and the land would qualify for an arid exemption under TCEQ rules. This applies only to a building that has been abandoned or found to be a nuisance; was acquired by the county or municipality by means of bankruptcy, tax delinquency or condemnation; and was previously owned by a person not financially capable of paying the costs of the disposal of the demolition waste at a permitted solid

### Section 2256.023

HB 2226 amends subsection (b) to modify the contents of the internal management report to strike the requirements that the summary statement be prepared in compliance with generally accepted accounting principles and include a statement of the additions and changes to market value during the reporting period; and strikes the requirement that the report state the book value and market value of each separately investment asset at the beginning of the reporting period.

*Effective June 17, 2011.*

### Sections 2267.001 through Section 2267.452 (Chapter 2267)

HB 628 adds this chapter regarding contracting and delivery procedures for construction projects which applies to governmental entities including state agencies, public junior colleges, board of trustees of port improvement or facilities, and local governments (including political subdivisions).

*Effective September 1, 2011, but applies only to a contract or construction project for which a governmental entity first advertises or otherwise requests bids, proposals, offers, or qualifications, or makes a similar solicitation, on or after the effective date.*

waste disposal facility, including transportation costs. TCEQ is required to adopt rules to control the collection, handling, storage, processing and disposal of demolition waste to protect public and private property, rights of way, groundwater and any other right that requires protection.

*Effective May 17, 2011.*

### Section 775.024

SB 917 amends subsection (a) to require that before two or more emergency service districts can consolidate, each must adopt a joint order of consolidation that includes, among other information, a statement that the district will consolidate only if voters approve an equalized ad valorem tax rate at an election, if the maximum ad valorem tax rates in the districts are different.

The bill strikes the previous subsection (e) that capped the maximum tax rate on a merged district to the maximum tax rate authorized for any of the previous districts.

The bill amends subsection (f) to provide that a consolidated district is created on the latest of the date stated in the joint order; the date the consolidation is approved in an election; or the date when the maximum ad valorem tax rate the consolidated district may impose is established, if necessary.



*Effective June 17, 2011, but on the effective date, a district created under Chapter 776, Health and Safety Code, is converted into a district operated under Chapter 775, Health and Safety Code.*

### Section 775.0241

SB 917 creates this section to provide that, if two emergency service districts that wish to consolidate have different maximum ad valorem tax rates, the board of the district with the lower maximum tax rate is required to order an election in its district to authorize the imposition in its territory of a maximum tax rate that equals the authorized maximum tax rate in the district with the higher maximum rate. If a majority of the voters do not favor the increase, the districts may not proceed with the consolidation.

*Effective June 17, 2011, but on the effective date, a district created under Chapter 776, Health and Safety Code, is converted into a district operated under Chapter 775, Health and Safety Code.*

### Section 775.074

SB 917 adds subsection (d-1) to prohibit an emergency service district board from setting the tax rate for a fiscal year before the date the board adopts a budget for that fiscal year.

*Effective June 17, 2011, but on the effective date, a district created under Chapter 776, Health and Safety Code, is converted into a district operated under Chapter 775, Health and Safety Code.*

## Local Government Code

### Sections 214.301, 214.302, 214.303 and 214.304 (Subchapter I)

HB 364 specifies that this new subchapter applies only to a city with a population of more than 1.9 million. The bill allows a city to take a condominium through the use of eminent domain for the purpose of eliminating urban blight if the tract or unit meets certain conditions for at least one year after the date a reasonable attempt is made to provide notice of the conditions to the property owner.

This subchapter expires December 31, 2016.

*Effective September 1, 2011, but applies only to a condemnation proceeding (and any property condemned through the proceeding) in which the condemnation petition is filed on or after the effective date.*

### Section 252.048

HB 628 adds subsection (c-1) to authorize a governing body of a municipality to grant general authority to an administrative official of the municipality to approve a change order if the change order is for a public works contract in a municipality with a population of 500,000 or more and involves a decrease or an increase of \$100,000 or less or a lesser amount as provided by ordinance.

*Effective September 1, 2011, but applies only to a contract or construction project for which a governmental entity first advertises or otherwise requests bids, proposals, offers, or qualifications, or makes a similar solicitation, on or after the effective date.*

### Section 271.054

HB 628 amends this section to provide that before entering into a contract requiring an expenditure or obligation of more than \$50,000, a governing body of an issuer must use either an alternate method of project delivery authorized by Government Code Chapter 2267 or use the already required competitive procurement process.

*Effective September 1, 2011, but applies only to a contract or construction project for which a governmental entity first advertises or otherwise requests bids, proposals, offers, or qualifications, or makes a similar solicitation, on or after the effective date.*

### Section 271.060

HB 628 amends subsection (b) and adds subsection (c) to provide that a contract with an original contract price of \$1 million or more may not be increased by more than 25 percent. If the original contract price was less than \$1 million and a change order increases the contract amount to \$1 million or more, subsequent change orders may not increase the revised contract amount by more than 25 percent.

*Effective September 1, 2011, but applies only to a contract or construction project for which a governmental entity first advertises or otherwise requests bids, proposals, offers, or qualifications, or makes a similar solicitation, on or after the effective date.*

### Sections 271.111 through 271.121 and Sections 271.181 through 271.199 (Subchapters H and J)

HB 628 repeals these subchapters.

*Effective September 1, 2011, but applies only to a contract or construction project for which a governmental entity first advertises or otherwise requests bids, proposals, offers, or qualifications, or makes a similar solicitation, on or after the effective date.*

### Section 271.9051

HB 628 amends subsection (b) to provide that for purchasing certain property or services, if a municipality receives one or more competitive sealed bids from a bidder whose principal place of business is in the municipality and whose bid is within five percent of the lowest bid price received by the municipality from a bidder who is not a resident of the municipality, the municipality may enter into a contract for construction services in an amount of less than \$100,000 or a contract for other purchases in an amount of less than \$500,000.

*Effective September 1, 2011, but applies only to a contract or construction project for which a governmental entity first advertises or otherwise requests bids, proposals, offers, or qualifications, or makes a similar solicitation, on or after the effective date.*



### Section 272.001

HB 2690 adds subsection (l) to provide that the notice and bidding requirements in subsection (a) do not apply to a donation or sale made under this subsection. A political subdivision may donate or sell for less than fair market value a designated parcel of land or an interest in real property to another political subdivision under specified conditions.

*Effective June 17, 2011.*

### Section 302.007

HB 628 adds this section to provide that Government Code Chapter 2267 does not apply to Local Government Code Chapter 302 relating to energy savings performance contracts for local governments, including political subdivisions.

*Effective September 1, 2011, but applies only to a contract or construction project for which a governmental entity first advertises or otherwise requests bids, proposals, offers, or qualifications, or makes a similar solicitation, on or after the effective date.*

### Section 372.0175

SB 422 adds this section to authorize a municipality or county to contract with a taxing unit, as defined by Tax Code Section 1.04, or the board of directors of a CAD to perform the duties of the municipality or county relating to the collection of a special assessment levied for a public improvement district.

*Effective June 17, 2011.*

## Occupations Code

### Section 1103.002

HB 2375 adds enforcement of standards for the appraisal of real property to the purpose of this chapter.

*Effective June 17, 2011.*

### Section 1103.003

HB 2375 amends subdivision (1) to change the definition of appraisal to be an opinion of value or the act or process of developing an opinion of value.

*Effective June 17, 2011.*

### Section 1103.004

HB 2375 amends subsection (b) to revise and clarify language permitting real estate brokers or their salespersons to provide certain property value analyses, opinions and conclusions under specified conditions.

*Effective June 17, 2011.*

### Section 375.091

SB 1234 strikes subsection (b) relating to the general powers of a municipal management district, including the power to levy ad valorem taxes for the construction, maintenance and operation of macadamized, graveled or paved roads and turnpikes and the power to levy ad valorem taxes to provide for mass transit systems in the manner and subject to the limitations provided in Texas Constitution Article III, Section 52 and Article III, Section 52(a).

*Effective September 1, 2011.*

### Section 375.0921

SB 1234 creates this section to reenact the power of a municipal management district to levy ad valorem taxes to provide for mass transit systems under Sections 52 and 52-a in Article III of the Texas Constitution and to authorize a district to design, acquire, construct, finance, issue bonds for, improve, operate, maintain and convey to this state, a county or a municipality for the operation and maintenance of macadamized, graveled or paved roads or improvements, including storm drainage, in aid of those roads.

*Effective September 1, 2011.*

### Section 375.209

SB 1234 adds this section to require the board of a municipal management district to provide for the annual imposition of a continuing direct annual ad valorem tax while all or part of bonds are outstanding as required and in the manner provided by Water Code Sections 54.601 and 54.602.

*Effective September 1, 2011.*

### Section 1103.201

HB 2375 amends subsection (a) to prohibit a person from performing a real estate appraisal unless the person is licensed or certified as an appraiser under this chapter (with limited exceptions). The bill also prohibits a person who does not hold the appropriate license or certification from using the title "state-certified real estate appraiser" and from referring to his or her appraisal as a "certified appraisal."

*Effective June 17, 2011.*

### Section 1103.206

HB 2375 amends subsection (b) to require the TALCB to include a review of appraisal experience of all applicants for real estate appraiser certification.

*Effective June 17, 2011.*

### Section 1103.208

HB 2375 repeals this section regarding a provisional license for certain appraiser trainees.

*Effective June 17, 2011.*



### Section 1103.209

HB 2375 amends subsection (a) to require the TALCB to issue a reciprocal real estate appraisal license or certificate to an applicant from another state under certain specified conditions.

The bill amends subsections (e) and (f) to require the TALCB commissioner to send a copy of material served against an out-of-state applicant to the applicant's address of record and verify that an out of state applicant's certificate or license is active.

The bill amends subsection (g) to provide a reciprocal certificate or license expires on the second anniversary of the last day of the month in which it was issued.

The bill also repeals subsection (b), which prohibited TALCB from accepting applications from applicants from states that refuse to offer reciprocal treatment to residents of this state who are certified or licensed under this chapter.

*Effective June 17, 2011, but applies only to an application for a reciprocal certificate or license that is submitted on or after the effective date.*

### Section 1103.2091

HB 2375 adds this section to permit the TALCB to issue a probationary certificate or license, or approve real estate appraiser trainees on a probationary basis. A person under probation under this section must disclose this probationary status to all clients before accepting an assignment.

*Effective June 17, 2011.*

### Section 1103.2111

HB 2375 adds this section to provide for the late renewal of a real estate appraisal certificate, license or trainee approval. The bill specifies late renewal deadlines, renewal fees, expiration date and other matters related to late renewals.

*Effective June 17, 2011, but applies only to renewals that expired on or after the effective date.*

### Section 1103.258

HB 2375 amends subsection (b) to provide that appraisal license applicants who fail the examination three consecutive times may not apply for reexamination or submit new license applications unless he or she submits evidence of completed additional education.

*Effective June 17, 2011.*

### Section 1103.304

HB 2375 adds this section to allow a person to obtain one 90-day extension of a temporary appraisal registration under this subchapter by completing an approved form and paying a fee.

*Effective June 17, 2011.*

### Section 1103.356

HB 2375 adds this section to allow a person to renew an approval as an appraiser trainee by paying a renewal fee, providing satisfactory evidence of completion of required continuing education and meeting any other renewal requirements.

*Effective June 17, 2011.*

### Section 1103.403

HB 2375 amends this section to require a licensed appraiser to report changes in address, email address or telephone number to the TALCB and pay any required fee.

*Effective June 17, 2011.*

### Sections 1103.5011 and 1103.5012

HB 2375 adds these sections to allow the TALCB commissioner to send to an appraiser against whom a complaint has been filed a notice of violation summarizing the alleged violation, stating the recommended sanction and penalty, and including notice of the appraiser's right to a hearing to contest the alleged violation and recommended sanction.

The person who receives the notice of violation may, within 20 days after receiving it, accept the commissioner's determination or request a hearing. If the person accepts the determination or fails to respond to the notice in a timely manner, TALCB must approve the determination and order payment of the recommended penalty, impose the recommended sanction or both.

*Effective June 17, 2011, but applies only to complaints filed on or after the effective date.*

### Section 1103.518

HB 2375 amends this section to remove language requiring an administrative law judge to issue an order making the case file confidential when charges are dismissed in a contested appraisal violation case.

*Effective June 17, 2011.*

### Section 1103.522

HB 2375 amends this section to prohibit a person from applying to the TALCB for reinstatement of a certificate or license until the second anniversary of the date of surrender.

*Effective June 17, 2011.*

### Section 1103.5511

HB 2375 adds this section to provide for a disciplinary panel to temporarily suspend an appraisal license or certification without notice or hearing under certain conditions.

*Effective June 17, 2011.*



### Section 1103.552

**HB 2375** amends this section to allow the TALCB to impose an administrative penalty for a violation of this chapter or a rule adopted or order issued by TALCB. The penalty must be paid not later than the 20th day after the date the order imposing the penalty becomes final.

*Effective June 17, 2011.*

### Section 1151.160

**HB 1179** amends subsection (a) to conform the subsection to other language in this section by replacing "an employee of a taxing unit's tax office" with the term "registrant."

The bill amends subsection (c) to require a person to obtain certification as a registered professional appraiser by successfully completing the certification requirements established by TDLR rule; or, if the person is certified or licensed as an appraiser by the TALCB, by passing the appropriate examination required by law. The bill adds subsections (d) and (e) to make conforming changes.

The bill adds subsection (f) to allow a break in service of less than five years, other than periods resulting from termination by cause. A registrant who has a break in service is entitled to an adjustment of a certification deadline by the length of the break in service.

The bill adds subsection (g) to entitle a registrant to a one-year extension of a certification deadline if the applicant meets any of several specified conditions.

The bill adds subsection (h) to require TDLR to establish reasonable qualifications for reapplication for a registration by an applicant who does not meet the requirements of subsection (g) or Section 1151.1605.

The bill adds subsection (i) to require TDLR to adopt rules as necessary to implement this section.

*Effective June 17, 2011.*

### Section 1151.1605

**HB 1179** adds this section to allow a person who has not satisfied the certification requirements by the required deadline to apply for reinstatement of a registration if he or she was registered before December 31, 2010 as a Class II collector, a Class III appraiser or a Class III assessor-collector. A qualified person may apply for reinstatement if, before December 31, 2011, he or she pays a \$250 fee and files the proper reinstatement application form. A reinstated application expires on December 31, 2013, and may not be renewed unless the applicant satisfies all registration, certification, education and examination requirements before that date. If an applicant satisfies these requirements, the registration date is the same as the date the requirements were completed.

*Effective June 17, 2011.*

### Section 1151.165

**HB 1179** adds this section to allow the TDLR to adopt rules to allow a registrant to place a registration issued by TDLR on inactive status.

*Effective June 17, 2011.*

### Section 1201.2055

**HB 1510** amends subsection (d) to require an owner who elects to treat a manufactured home as real property to notify the chief appraiser of the applicable CAD that the owner has filed in the county's real property records a certified copy of the statement of ownership and location that reflects the fact that the owner has elected to treat the manufactured home as real property.

The bill amends subsection (e) to specify that a real property election for a manufactured home is not considered perfected until a certified copy of the statement of ownership and location has been filed and TDHCA and the chief appraiser have been notified of the filing.

The bill repeals subsection (f), which required TDHCA and the chief appraiser to note in their records whether or not a real property election had been perfected.

The bill amends subsection (g) to provide that after a real property election is perfected under subsection (e) the home is considered real property for all purposes and no additional issuance of a statement of ownership and location is required for the manufactured home unless:

- the home is moved from the specified location;
- the real property election is changed; or
- the use of the property is changed as described by Section 1201.216.

*Effective September 1, 2011.*

### Section 1201.206

**HB 1510** repeals subsection (d), which required a manufactured home seller to file an application for a new statement of ownership and location under certain circumstances.

*Effective September 1, 2011.*

### Section 1201.207

**HB 1510** amends subsection (c) to provide that, if an authorized lienholder releases a lien on a manufactured home, TDHCA may issue a subsequent statement of ownership and location for the home. TDHCA may alter the record of the ownership or lien status to release a lien if an authorized lienholder files a request for that release.

*Effective September 1, 2011.*

### Section 1201.2076

**HB 1510** amends subsection (a) to remove the requirement that TDHCA notify the appropriate tax assessor-collector of the conversion of a manufactured home from real property to



personal property before issuing a statement of ownership and location.

*Effective September 1, 2011.*

### Section 1201.217

HB 1510 amends subsection (a) to allow an owner of real property on which a manufactured home owned by another is located to declare the home abandoned if it has been continuously unoccupied for at least four months and any indebtedness secured by it or related to a lease agreement between the owner of the real property and the owner of the home is considered delinquent.

*Effective September 1, 2011.*

### Section 1201.219

HB 1510 adds subsection (b-1) to provide that a lien perfected with TDHCA may be released only by filing a request for the release on the proper TDHCA form or by following the TDHCA procedures for electronic lien release provided on the TDHCA website. This subsection does not apply to the release of a tax lien perfected with TDHCA.

The bill amends subsection (d) to specify that a tax lien on a manufactured home not held in a retailer's inventory is

perfected only by filing with TDHCA the notice of the tax lien on the proper form. A tax lien perfected with TDHCA may be released only by filing a tax certificate or tax paid receipt and filing a request for the release with TDHCA on the proper form or through the TDHCA website.

*Effective September 1, 2011.*

### Section 1201.220

HB 1510 amends this section to require TDHCA to make available on request (rather than provide) to each chief appraiser a monthly report of transfers of ownership of manufactured homes and reports of manufactured homes having been installed.

*Effective September 1, 2011.*

### Section 1201.452

HB 1510 amends subsection (b) to strike the provision that a manufactured home owner must, if the home does not have the appropriate seal or label, submit to TDHCA a copy of any written disclosure required under Section 1201.455(a).

*Effective September 1, 2011.*

## Penal Code

### Section 36.05

HB 1856 amends subsections (d), (e) and (f) to specify that tampering with a witness is punishable as a third-degree felony unless it is part of the prosecution of a criminal case. Tampering with a witness in a criminal case is punishable as the most serious offense charged in the case unless the most serious offense is a capital felony in which case an offense is a first degree felony. In this case, tampering with a witness would be punishable as a first-degree felony. If an offense under this section also constitutes an offense under any other law, the offender may be prosecuted under either or both laws.

*Effective September 1, 2011, but applies only to an offense committed on or after the effective date.*

### Section 36.07

SB 1269 amends this section to provide that transportation, lodging and meals are not political contributions as defined by Election Code Title 15.

*Effective September 1, 2011.*

### Section 36.10

SB 1269 amends this section to provide that Section 36.08 (Gift to Public Servant) and Section 36.09 (Offering Gift to Public Servant) do not apply to transportation, lodging and meals.

*Effective September 1, 2011.*

## Property Code

### Section 5.012

HB 1821 amends this section to add information to the currently required notice that certain sellers of residential real property subject to membership in a property owners' association must provide to a purchaser. Among other items, the notice must include a statement that reads substantially similar to: "A resale certificate contains information including, but not limited to, statements specifying the amount and frequency of regular assessments and the style and cause number of lawsuits to which the property owners' association is a party, other than lawsuits relating to unpaid ad valorem taxes of an individual member of the association."

*Effective January 1, 2012, but applies only to a sale of property that occurs on or after the effective date. For the purposes of this subsection, a sale of property occurs before the effective date if the executory contract binding the purchaser to purchase the property is executed before that date.*

### Section 5.027

SB 1496 adds this section to provide that a correction instrument may correct an ambiguity or error in a recorded original instrument of conveyance to transfer real property or an interest in real property, including an ambiguity or error that relates to the description of or extent of the interest conveyed. However,



a correction instrument cannot make these corrections for real property or an interest in real property that was not originally conveyed in the instrument of conveyance for the purpose of a sale of real property under power of sale under Chapter 51 unless the conveyance otherwise complies with all requirements under that chapter. A correction instrument is subject to Section 13.001, which relates to the validity of unrecorded instruments.

*Effective September 1, 2011.*

### Section 5.028

**SB 1496** adds this section to authorize a person who has personal knowledge of facts relevant to the correction of a recorded original instrument of conveyance to execute a correction instrument to make a nonmaterial change that results from a specified clerical error. A correction instrument can include an acknowledgement or authentication that is required and was not included in the recorded original instrument. A person who executes a correction instrument must:

- disclose in the instrument the basis for the person's personal knowledge of the relevant facts;
- record the instrument and evidence of notice, if applicable, in each county in which the original instrument is recorded; and
- send a copy to each party of the original instrument (including heirs, if applicable) if the correction instrument is not signed by each party to the original instrument.

*Effective September 1, 2011.*

### Section 5.029

**SB 1496** adds this section to authorize parties to an original transaction or the parties' heirs, successors or assigns, as applicable, to execute a correction instrument to make a specified material correction (in addition to nonmaterial corrections) to a recorded original instrument of conveyance. A correction instrument must be executed by each party to the recorded original instrument or, if applicable, a party's heirs, successors or assigns, and the correction instrument must be recorded in each county in which the original instrument is recorded.

*Effective September 1, 2011.*

### Section 5.030

**SB 1496** adds this section to provide that a correction instrument that complies with newly added Sections 5.028 and 5.029 is:

- effective as of the effective date of the recorded original instrument of conveyance;
- prima facie evidence of the facts stated in correction instrument;
- presumed to be true;
- subject to rebuttal; and
- a notice to subsequent buyers of the facts stated in the correction instrument.

If a property is subject to a correction instrument, a *bona fide* purchaser of property may rely on the instrument against any person making an adverse or inconsistent claim.

*Effective September 1, 2011.*

### Section 5.031

**SB 1496** adds this section to provide that a correction instrument that is recorded before September 1, 2011, substantially complies with newly added Sections 5.028 and 5.029 and purports to correct a recorded original instrument of conveyance, is effective to the same extent as provided by newly added Section 5.030 unless a court of competent jurisdiction renders a final determination that the correction instrument does not substantially comply with Sections 5.028 and 5.029.

*Effective September 1, 2011.*

### Section 51.0022

**SB 1233** adds this section to provide that a person filing a notice of a sale of residential real property under Section 51.002(b) must submit a form to the county clerk that contains the zip code for the property. When a sale of real property is completed, the trustee or sheriff must submit to the county clerk a completed form with the zip code and indicating whether the property is residential. A county clerk must submit the form to TDHCA not later than the 30th day after receipt. TDHCA's board must prescribe the form, which may only request information on whether the property is residential and the zip code of the property. TDHCA must report quarterly on information received under this section to the Legislature in a format established by rule by the TDHCA board.

*Effective June 17, 2011, but applies only to a notice of sale filed on or after January 1, 2012.*

### Section 64.001

**SB 1368** adds this section to provide that the newly added Chapter 64, Authority of Co-Owner to Encumber Residential Property, applies only to residential property that:

- has residential improvements primarily designed for not more than four families;
- is not more than 10 acres of land;
- is owned by more than one person; and
- for which at least one co-owner has received a residence homestead exemption under Tax Code Section 11.13.

*Effective June 17, 2011.*

### Section 64.002

**SB 1368** adds this section to authorize a co-owner of residential property to act in the name of and on behalf of another co-owner (whether known or unknown) as the co-owner's statutory agent and attorney-in-fact for the purposes of entering into contracts that give rise to a mechanic's and materialman's lien





and to execute a deed of trust for the purposes of preserving or improving the property. This authorization applies when:

- the co-owner has occupied the property for more than five years;
- the co-owner has a residence homestead exemption for the property under Tax Code Section 11.13;
- the occupying co-owner has paid all assessed ad valorem taxes without delinquency and without contribution from the other co-owner for the five past years; and
- the occupying co-owner files the required documentation.

*Effective June 17, 2011.*

### Section 64.003

SB 1368 adds this section to provide that an occupying co-owner of a residential property may establish the authority to act as an agent and attorney-in-fact for another co-owner by filing certain documentation in the county clerk's office of the county in which the property is located, including a certificate from the tax assessor-collector for the applicable county affirming that the co-owner has paid all taxes assessed against the real property for the preceding five years without delinquency.

*Effective June 17, 2011.*

### Section 64.004

SB 1368 adds this section to limit the authority of the occupying co-owner to act as an agent and attorney-in-fact to enter into a contract giving rise to a mechanic's and materialman's lien and to execute a deed of trust for the purpose of preserving or improving the residential property. The occupying co-owner is the sole obligor of the debt incurred under the contract and secured by the deed of trust. A lien that arises under a contract entered into by an occupying co-owner is not subject to repudiation or disaffirmance by another co-owner.

*Effective June 17, 2011.*

## Transportation Code

### Section 173.002

HB 3030 adds subdivision (2-a) to define commuter rail service as the transportation of passengers and baggage by rail between locations in a district.

*Effective September 1, 2011.*

### Section 173.256

HB 3030 amends subsection (b) to allow an intermunicipal commuter rail district to enter into an interlocal contract with one or more local government members (rather than a local government member) to finance transportation infrastructure constructed or to be constructed in the territory of the local governments (rather than government) by the district.

The bill amends subsection (d) to provide an exception under subsection (d-1) to the limitation on the amount a local

### Section 82.118

HB 364 adds subsection (c) to require that, not later than the 90th day after the date on which a condominium unit owner changes mailing address, the owner must provide written notice of the owner's new address to the CAD in which the condominium is located.

*Effective September 1, 2011, but applies only to a condemnation proceeding in which the condemnation petition is filed on or after the effective date and to any property condemned through the proceeding.*

### Section 82.153

HB 364 amends subsection (a) to require that a condominium information statement for a condominium located wholly or partly in a municipality with a population of more than 1.9 million that the unit owner shall notify the CAD in writing of a change in the unit owner's mailing address not later than the 90th day after the date on which the unit owner changes the address.

*Effective September 1, 2011, but applies only to a condemnation proceeding in which the condemnation petition is filed on or after the effective date and to any property condemned through the proceeding.*

### Section 207.003

HB 1821 amends this section to provide that the resale certificate a property owner's association must provide upon request does not have to contain pending lawsuits to which the property owners' association is a party, if the lawsuit relates to unpaid ad valorem taxes of an individual member of the association.

*Effective January 1, 2012, but applies only to a request for information received by a property owners' association on or after the effective date.*

government will pay to a district, which is equal to 30 percent of the increase in property tax collections for the specified period.

The bill adds subsection (d-1) to provide that a transportation infrastructure zone of a district established before January 1, 2005 may consist of a contiguous or noncontiguous geographic area in the territory of one or more local governments and must include a commuter rail facility or the site of a proposed commuter rail facility. The amount paid by a local government under subsection (d) to a district established before January 1, 2005 may not exceed the increase in property tax collections in the zone for the specified period.

*Effective September 1, 2011.*



### Section 173.305

**HB 3030** adds this section to require an intermunicipal commuter rail district established before January 1, 2005 that creates a transportation infrastructure zone to establish a tax increment fund. The bill requires a district to deposit in the tax increment fund certain specified bond revenue, property sales revenue and other revenue in addition to the appropriate tax increment.

*Effective September 1, 2011.*

### Section 173.306

**HB 3030** adds this section, which applies only to an intermunicipal commuter rail district created before January 1, 2005, to allow a local government member of a district creating a transportation infrastructure zone to issue tax increment bonds or notes, including refunding bonds, secured by revenue in the local government's tax increment fund.

*Effective September 1, 2011.*

### Section 222.105

**HB 563** adds property improvement to the purposes of city and county transportation reinvestment zones and clarifies that one purpose of these reinvestment zones is to enhance a local entity's ability to sponsor an authorized transportation project.

*Effective September 1, 2011.*

### Section 222.106

**HB 563** amends subsection (b) to specify that this section applies only to a city in which a transportation project is to be developed under an agreement related to vehicle toll payments under Transportation Code Section 222.104. The bill amends subsection (c) to make a nonsubstantive change.

The bill amends subsection (g) to add certain requirements in the ordinance.

The bill amends subsection (h) to require a city to deduct from its payment into the zone's tax increment account any amount allocated under previous agreements, including agreements under Local Government Code Chapter 380 or Tax Code Chapter 311.

The bill amends subsection (i) to require that all (or a portion specified by the city) of the money deposited in a tax increment account must be used to fund the designated transportation project and aesthetic improvements within the zone. The use of any remainder may be determined by the city.

The bill adds subsection (i-1) to allow the governing body of a city to contract with a public or private entity to develop, redevelop or improve a transportation project in a transportation reinvestment zone and allow the city to pledge and assign all or a specified amount of money in the tax increment account to the entity. The city is prohibited from rescinding its pledge or assignment until any bonds or other obligations secured by the pledge are paid or discharged.

The bill adds subsection (i-2) to allow a city to change the boundaries of a transportation reinvestment zone, except that it may not remove property used to secure bonds or other obligations and may not add property unless the city complies with notice, hearing and other legal requirements.

The bill amends subsections (j) and (k) to provide for the termination of a transportation reinvestment zone.

The bill amends subsection (l) to provide that a surplus remaining in a tax increment account on the termination of a zone may be used for other purposes by the city.

*Effective September 1, 2011, subsections (h), (i), (i-1), (i-2), (j), (k), and (l) apply to a transportation reinvestment zone that is governed by those sections designated before the effective date.*

### Section 222.107

**HB 563** changes the heading of the section from "Tax Abatements, Road Utility Districts" to "County Transportation Reinvestment Zones." Subsection (b) is amended to specify that this section applies only to a county in which a transportation project is to be developed under an agreement related to vehicle toll payments under Transportation Code Section 222.104.

The bill amends subsection (c) to allow a county to give tax relief other than property tax abatements and make other nonsubstantive changes.

The bill amends subsection (c) to require the inclusion of any grant of tax relief other than property tax abatements in topics the county must cover at a hearing on the creation of a transportation reinvestment zone.

The bill amends subsection (f) to require an order or resolution designating an area as a transportation reinvestment zone to, in addition to the previous requirements, provide that the base year is the year of passage of the ordinance or some year in the future and to designate the base year for purposes of establishing the tax increment base of the county.

The bill amends subsection (h) to provide that the existing authorization for a commissioners court to abate county ad valorem taxes on all or certain property located in a reinvestment zone can be for all (rather than only a portion) of the taxes, and to authorize the county to grant other relief from these taxes. The abatement or other relief must not exceed the county's tax increment for that year. All tax relief must be equal in rate.

The bill adds subsection (h-1) to allow a county to assess all or part of the cost of the transportation project against property within the transportation reinvestment zone. The bill provides for installment payments of the assessments that are not permitted to exceed the total amount of the tax abatement or other relief granted. The bill allows the county to issue bonds and make other provisions for the payment of the cost of a transportation project. The county may contract with a public or private entity to develop, redevelop or improve a transportation project in a transportation reinvestment zone and may pledge and assign all or a specified amount of money in the tax increment account to the entity.



The bill amends subsection (i) to specify that the formation of a road utility district with the same boundaries as the transportation reinvestment zone is an alternative in the development of a transportation project. The bill amends subsection (k) to specify that a road utility district formed under subsection (i) may enter into an agreement (rather than an agreement with the county) to fund development of a transportation project or to repay funds owed to TxDOT.

Subsection (k-1) is added to allow a county to change the boundaries of a transportation reinvestment zone, except that it may not remove property used to secure bonds or other obligations, and may not add property unless the county complies with notice, hearing and other legal requirements.

The bill amends subsection (l) to provide for the termination of a transportation reinvestment zone.

*Effective September 1, 2011, subsections (h), (h-1), (i), (k), (k-1), and (l) apply to a transportation reinvestment zone that is governed by those sections designated before the effective date.*

### Section 222.108

**HB 563** adds this section to authorize a city or county, notwithstanding other subsections, to establish a transportation reinvestment zone for any transportation project. In addition, if all or part of a transportation project in the zone is subject to oversight by TxDOT, TxDOT is required, at the option of the governing body of the city or county to the extent permitted by law, to delegate full responsibility for the development, design, letting of bids and construction of the project, including project oversight and inspection, to the municipality or county.

*Effective September 1, 2011, but applies to a transportation reinvestment zone that is governed by those sections designated before the effective date.*

### Section 222.109

**HB 563** adds this section to prohibit TxDOT from penalizing a city or a county with a reduction in traditional transportation funding because of the designation and use of a transportation reinvestment zone. Any funding from TxDOT committed to a project before the date that a zone is designated may not be reduced because the zone is designated in connection with that project.

*Effective September 1, 2011, but applies to a transportation reinvestment zone that is governed by those sections designated before the effective date.*

### Section 223.049

**HB 628** adds this section to authorize the Texas Department of Transportation, without complying with the competitive bidding procedures of Subchapter A, to contract with an owner of land, including a subdivision, adjacent to a highway that is part of the state highway system to construct an improvement on the highway right-of-way that is directly related to improving access to or from the owner's land. The bill sets forth the requirements for an owner that enters into a contract and provides that state and federal funds may not be used for the

design, development, financing, or construction of a highway improvement under these contracts.

*Effective September 1, 2011, but applies only to a contract or construction project for which a governmental entity first advertises or otherwise requests bids, proposals, offers, or qualifications, or makes a similar solicitation, on or after the effective date.*

### Section 431.102

**SB 1120** amends subsection (b) to create an exception to the property tax exemption of a local government corporation. Property of a local government corporation is not exempt if the corporation was created by a municipal power agency under Utilities Code Subchapter C, Chapter 163, and the property is located outside of the boundaries of each of the municipalities that created the municipal power agency.

*Effective June 17, 2011.*

### Section 460.106

**SB 1422** amends subsection (d) to provide an exception to the requirement that for a service plan to be implemented in a county participating in a county transportation authority, a majority of votes received must favor the authorization of a tax levy by the authority. This requirement does not apply to provisions under Subchapter I.

*Effective September 1, 2011.*

### Sections 460.601, 460.602, 460.603, 460.604, 460.605, 460.606, 460.607, 460.608, 460.609, 460.610 and 460.611 (Subchapter I)

**SB 1422** adds this subchapter to provide that a governing body of a municipality may designate by ordinance a contiguous geographic area in its jurisdiction as a public transportation financing area. The geographic area must have one or more transit facilities with a structure provided for or on behalf of a transportation authority for embarkation and disembarkation from public transportation services provided by the authority and must include an area one-half mile on either side of the proposed service route served by this structure, to the extent that the area is included in the municipality's boundaries.

*Effective September 1, 2011.*

### Section 521.063

**HB 266** adds this section to require the Department of Public Safety to establish a system by rule to ensure that addresses of driver's license holders are verified and matched to U.S. Postal Service delivery addresses through the use of address-matching software. The software must meet certification standards under CASS adopted by the U.S. Postal Service for the preparation of bulk mailings. If the department contracts with a provider for bulk mailing services, the contract must require that the provider use address-matching software that meets or exceeds CASS certification standards.

*Effective September 1, 2011.*



## Water Code

### Section 68.303

**SB 1104** amends this section to provide that, if appraisal records do not accurately reflect the address or do not show the physical location of a particular facility, a ship channel security

district is required to provide notice of a hearing for a proposed assessment to each facility owner at the facility's physical location as reflected by any other information available.

*Effective May 20, 2011.*

## Session Law

**HB 2785** establishes a Select Committee on Economic Development composed of 12 members, four appointed by the governor, four by the lieutenant governor and four by the speaker of the House of Representatives. The bill specifies the number of public members and members in certain occupations, and requires that the appointments be made not later than November 1, 2011. The Governor selects the presiding officer of the committee and the committee meets at the call of the presiding officer.

The bill requires that, not later than January 1, 2013, the committee shall submit a report of the committee's findings, studies and recommendations to the governor, lieutenant governor, speaker of the House of Representatives and each member of the Legislature. The committee is abolished and this act expires on September 1, 2013.

*Effective September 1, 2011.*

**SB 1 (1st CS)** provides that, for a school district that, before May 1, 2011, received from the commissioner of education a notice of reduction in state funding for the 2004-2005, 2005-2006, 2006-2007, 2007-2008 and 2008-2009 school years based on the district's reporting related to deposits of taxes into a tax increment fund under Tax Code Chapter 311, commissioner of education shall reduce by one-half certain entitlement reductions computed to adjust for taxes paid into a tax increment fund for the specified school years listed. This provision expires September 1, 2013.

*September 28, 2011.*

**SB 1 (1st CS)** requires the speaker of the House of Representatives and the lieutenant governor to establish a joint legislative interim committee to conduct a comprehensive study of the Texas public school finance system. The committee must make school finance recommendations to the Legislature not later than January 15, 2013.

*September 28, 2011.*

**SB 540** requires the Comptroller to study the fiscal impact on the state and local governments that would have been created during the preceding 10 years by the adjustment of the maximum amount of the disabled veteran exemption to which a person is entitled under Tax Code Section 11.22, to reflect the percentage change from the preceding tax year in the average market value of residence homesteads in the CAD in which the property subject to the exemption is located. A state agency or local government must provide information and assistance at the Comptroller's request. The report is due to the Legislature not later than December 1, 2012.

*Effective June 17, 2011.*

**SB 762** requires the Finance Commission to conduct a study regarding the fees, costs, interest and other expenses charged to property owners by property tax lenders in conjunction with the transfer of property tax liens and the payoff of loans secured by property tax liens. The study is due to the Legislature not later than June 1, 2012.

*Effective September 1, 2011.*

## Texas Constitution

### Article VIII, Section 1-b

**SJR 14** adds subsection (j) to authorize the Legislature to provide a property tax exemption to the surviving spouse of a 100 percent or totally disabled veteran who qualified for an exemption on the disabled veteran's residence homestead when the disabled veteran died. A surviving spouse is entitled to an exemption of the same portion of the market value of the same property to which the disabled veteran's exemption applied if the surviving spouse has not remarried since the death of the disabled veteran; the property was the residence homestead of the surviving spouse when the disabled veteran died; and remains the residence homestead of the surviving spouse.

The resolution adds subsection (k) to authorize the Legislature to provide that, if a surviving spouse qualifies for this exemption and subsequently qualifies a different property as a residence homestead, the surviving spouse is entitled to an exemption in an amount equal to the dollar amount of the exemption of the former homestead in the last year in which the surviving spouse received an exemption. To receive an exemption in a subsequent homestead, the surviving spouse cannot have remarried since the death of the disabled veteran.

*This amendment will be put before voters in an election to be held on November 8, 2011.*



### Article VIII, Section 1-d-1

**SJR 16** amends subsection (a) to add water stewardship to the list of land uses that qualify for appraisal based on the land's productive capacity under open-space land.

*This amendment will be put before voters in an election to be held on November 8, 2011.*

### Article VIII, Section 1-g

**HJR 63** amends subsection (b) to authorize the Legislature to allow a county to issue bonds or notes to finance the development or redevelopment of an unproductive, underdeveloped or blighted area within the county, and to pledge increases in ad valorem tax revenue in the area for repayment of those bonds or notes.

*This amendment will be put before voters in an election to be held on November 8, 2011.*

### Article XI, Section 5

**SJR 26** adds subsection (b) to authorize the Legislature by general law to allow cities to enter into interlocal contracts with other cities or counties without meeting the current assessment and sinking fund requirement. This existing requirement prohibits a city from creating a debt unless at the same time a provision is made to assess and collect annually enough to pay the interest and creating a sinking fund of at least 2 percent. This applies to charter cities with more than 5,000 inhabitants.

*This amendment will be put before voters in an election to be held on November 8, 2011.*

### Article XI, Section 7

**SJR 26** adds subsection (b) to authorize the Legislature by general law to allow cities or counties to enter into interlocal contracts with other cities or counties without meeting the current assessment and sinking fund requirement. This existing requirement prohibits a city or county from creating a debt unless at the same time a provision is made to assess and collect annually enough to pay the interest and creating a sinking fund of at least 2 percent. This applies to all counties and cities bordering on the coast of the Gulf of Mexico.

*This amendment will be put before voters in an election to be held on November 8, 2011.*





Property Tax Information Services  
[www.window.state.tx.us](http://www.window.state.tx.us)  
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In Austin, call (512) 305-9999

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