

Bills Filed for the 2019 Regular Session of the 86th Texas Legislature

December 5, 2018

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The 86th Texas Legislature will begin Tuesday, January 8, 2019. Pre-filing of bills began November 12, with more than 400 bills filed. The last day to file a bill will be March 8, 2019, with the last day of the regular session set for Monday, May 27. As with past legislative sessions, Perdue Brandon will track property tax bills and others of interest to our clients.

Perdue Brandon organizes *Bills Filed* by subject matter. Each bill includes a summary and proposed effective date. All references to section numbers are to the Texas Tax Code, unless otherwise indicated. Some bills are listed several times because they address multiple subjects. Check Perdue Brandon’s website at www.pbfcm.com for updates. Changes from a previous issue will be highlighted in gray.

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Appraisal District Administration

COMPTROLLER PROPERTY TAX
ADMINISTRATION ADVISORY BOARD
ESTABLISHED, ALONG WITH REVISIONS TO
ARB AND ARBITRATION TRAINING, ARB
PROTEST PROCESS AND SURVEY

HB 54 Zerwas; similar SB 67 Nelson

Adds 5.01, 5.043, 5.104 and amends 1.085, 5.041,
5.103, 6.412, 6.42, 41.46, 41.461, 41.47, 41.66,
41.67, 41.71, 41A.06, 41A.061, 41A.09

A minimum six-member Property Tax Administration Advisory Board will be created to improve the effectiveness and efficiency of the property tax system, best practices and complaint resolution. The Advisory Board will consist of representatives of property owners, appraisal districts, school districts and a person who has knowledge or experience with ratio studies. The Comptroller appoints the members. Any advice to the Comptroller provided by a member of the Board must be provided at a meeting called by the Comptroller. Government Code Chapter 2110 does not apply to the Advisory Board. HB 54 revises the system for protesting to the appraisal review board (ARB) or appealing certain property tax determinations. See also *Appraisal Review Board*.

Proposed Effective: 1/1/2020.

Status: Filed.

PERSONAL INFORMATION MAY BE OMITTED
FROM RECORDED PROPERTY RECORDS

SB 73 Nelson

Amends Property Code 11.008

SB 73 adds to the items that may omit personal information to include any record recorded by a county clerk related to real property, including a mineral lease, mechanic’s lien and release of a

mechanic's lien. Current law states a deed or deed of trust.

Proposed Effective: 9/1/2019.

Status: Filed.

Appraisal and Renditions

PROPERTY VALUE ADDED BECAUSE OF ACCESSIBILITY STANDARDS EXCLUDED FROM CAD'S APPRAISED VALUE

HB 164, HJR 20 Raymond

Adds 23.015; adds Tex. Const. Art. 8, Sec. 1(k)

HB 164 and its constitutional amendment excludes from a property's appraised value the value of any improvement for the primary purpose of complying with the requirements of the 2010 Americans with Disabilities Act Standards for Accessible Design.

Proposed Effective: 1/1/2020, if voters approve constitutional amendment November 5, 2019.

Status: Filed.

COMPTROLLER STUDIES IMPACT OF SALES PRICE DISCLOSURE

HB 185 Bernal

No section cited

HB 185 requires the Texas Comptroller to conduct a study of the impact, feasibility and advisability of adopting a property tax system with the disclosure of the sales price of real property, with a report to the Legislature by December 1, 2020. The Comptroller appoints an advisory committee of local government representatives and real estate professionals.

Proposed Effective: Immediately if passed by two-thirds of both houses; otherwise, 9/1/2019.

Status: Filed.

HOMESTEAD APPRAISAL CAP REDUCED TO 5%

HB 383, HJR 28 Bohac

Amends 23.23; amends Tex. Const. Art. 8, Sec. 1

HB 383 and HJR 28 constitutional amendment lower the 10% cap on residence homesteads to 5% per year.

Proposed Effective: 1/1/2020, if voters approve constitutional amendment November 5, 2019.

Status: Filed.

REAPPRAISAL FOR DISASTER AREA IS AUTOMATIC

SB 202 Huffman

Amends 23.02

SB 202 requires the CAD to automatically reappraise an area declared a disaster area that the Federal Emergency Management Agency (FEMA) estimates to have sustained 5% or greater damage to market value as a result of the disaster. A property owner may refuse to have the owner's property reappraised. The chief appraiser completes the reappraisal by 45 days after the governor declares the disaster area. If FEMA does not complete the damage estimate before that deadline, the chief appraiser shall complete the reappraisal as soon as possible. All taxing units for which the properties are reappraised are apportioned the costs of the disaster reappraisal. The Comptroller may adopt rules to implement and administer this provision.

Proposed Effective: Immediately if passed by two-thirds of both houses; otherwise, 9/1/2019.

Status: Filed.

Exemptions

GUARDIAN OF DISABLED PERSON GRANTED HOMESTEAD EXEMPTION

HB 160, HJR 19 Raymond

Amends 11.13, 26.06; amends Education Code 44.004; amends Special District Local Laws Code 8876.152; amends Water Code 49.236; repeals Water Code 49.2361; amends Tex. Const. Art. 8, Sec. 1-b(b) and (c)

HB 60 expands the disabled homestead exemption to include the parent or guardian of a minor who is disabled and resides with the parent or guardian. The bill also amends the various taxing unit notices of proposed tax rates to reflect this addition to the disabled homeowner exemption. The bill also adds to the water district notice of tax rate that if the proposed tax rate would authorize voters by petition to require a rollback election, the notice includes a description of the purpose for the proposed tax increase.

Proposed Effective: 1/1/2020, if voters approve constitutional amendment November 5, 2019.

Status: Filed.

HOMESTEAD EXEMPTION REVISED FOR SURVIVING SPOUSE OF ARMED SERVICES MEMBER KILLED IN LINE OF DUTY TO INCLUDE FATAL INJURY

HB 275, HJR 23 Miller; SB 196 Campbell

Amends 11.133, 11.431; amends Tex. Const. Art. 8, Sec. 1-b(m)

These bills and constitutional provision revise the 100% homestead exemption for the surviving spouse of a member of the armed services who is killed in action to read a member who is killed or fatally injured in the line of duty. The revision applies to a tax year 2020 and thereafter.

Proposed Effective: 1/1/2020, if voters approve constitutional amendment November 5, 2019.

Status: Filed.

ALL TYPES OF TAXING UNITS LIMIT TAXES ON HOMESTEADS OF ELDERLY OR DISABLED HOMEOWNERS

HB 322, HJR 26 Geren

Amends 11.26, 23.19, 26.012, repeals 11.261; amends Education Code 42.302

HB 322 and HJR 26 constitutional amendment would extend the tax limitation or ceiling (also called a tax freeze) to any type of taxing unit for the residence homestead of the elderly and disabled. Current law only requires a school tax ceiling and sets out the option of a county, municipality or junior college district to grant it. The tax ceiling applies to the 2020 tax year, using the 2019 taxes imposed as the tax ceiling, plus any taxes on new improvements made in 2019. For a subsequently qualified homestead, the tax ceiling does not apply to a taxing unit if the former homestead was not subject to taxation by a taxing unit of the same type in the last year in the individual received the exemption for the former homestead.

Proposed Effective: 1/1/2020, if voters approve constitutional amendment November 5, 2019.

Status: Filed.

TOTAL EXEMPTION GRANTED TO HOMESTEAD OF VERY ELDERLY AND SURVIVING SPOUSE

HB 384, HJR 29 Bohac

Amends 11.13, 11.42, 11.43, 26.10, 26.112, 33.01; adds Education Code 41.0012 and amends 42.2518, 42.252, 42.302, 44.004, 46.003, 46.032, 46.071;

amends Government Code 403.302; adds Tex. Const. Art. 8, Sec. 1-b(n)

HB 384 and HJR 29 constitutional amendment provide for the total exemption from property taxes of the homestead of an elderly homeowner who is 80 years or older and has received homestead exemptions on the homestead for at least the preceding 10 years. The surviving spouse continues to receive the total exemption if the deceased spouse died qualified for the exemption in the year of death, the surviving spouse was 55 years of age or older at spouse's death and the property was also the residence homestead of the surviving spouse and remains the homestead. The total exemption is effective on January 1 of the year qualified. The homeowner may apply up to one year late after qualification. If the exemption terminates during the year because the homeowner claims another homestead, the taxes are prorated for the time the homestead did not qualify. The Comptroller adjusts the school district's taxable wealth for state funds for this exemption. The school notice for proposed budget and tax rate includes a statement that a person 80 years of age or older or surviving spouse is exempt from taxes.

Proposed Effective: 1/1/20, if voters approve constitutional amendment November 5, 2019.

Status: Filed.

PROPERTY EXEMPTED IF LEASED TO CERTAIN CHARTER SCHOOLS

HB 388, HJR 31 Murphy

Adds 11.211; amends Tex. Const. Art. 8, Sec. 2

HB 388 and HJR 31 constitutional amendment exempts property leased to an open-enrollment charter school if the property owner's reduced taxes are passed along to the tenant charter school. The leasehold does not become taxable pursuant to Section 25.07.

Proposed Effective: 1/1/2020, if voters approve constitutional amendment November 5, 2019.

Status: Filed.

PHYSICIAN HOMESTEAD OFFERED
EXEMPTION BY COUNTY

HB 453, HJR 33 Shaheen

Amends 11.13; adds Tex. Const. Art. 8, Sec. 1-b(n)

HB 453 and its constitutional amendment provide that the county may offer a homestead exemption to a physician residing in the county who provides health care services to qualifying county residents that are indigent or on Medicaid for which the physician does not receive reimbursement for those services from any source. The exemption is based on a percentage of the home's value, not to exceed 50%. The county may express the percentage of the physician's total practice that is for qualifying county residents. The county commissioners provide the appraisal district with the exemption information, and the chief appraiser may require the physician to provide additional information.

Proposed Effective: 1/1/2020, if voters approve constitutional amendment November 5, 2019.

Status: Filed.

LEASED MOTOR VEHICLES NOT USED TO
PRODUCE INCOME EXPANDED FOR OTHER
LESSEES

SB 58 Zaffirini

Amends 11.252

SB 58 expands the exemption for motor vehicles leased for personal use to motor vehicles leased for use "other than production of income." Added to the current exemption requirement for leased motor vehicles used for 50% or more miles for non-income producing purposes are the following leased vehicles: leased to the state or to a political subdivision or leased to a non-profit 501(c)(3) organization that uses the vehicle exclusively for religious, educational or charitable purposes and would be an exempt vehicle if owned by the organization. The Comptroller revises the form filed by a motor vehicle lessee for these changes.

Proposed Effective: 9/1/2019.

Status: Filed.

SURVIVING SPOUSE OF FIRST RESPONDER

SB 129 Hinojosa

Amends 11.134

SB 129 adds to the list of who is a first responder killed or fatally injured whose surviving spouse receives a total homestead exemption, if the spouse has not remarried since the death of the first responder. Those responders added to the list include Special Agents and Marshalls listed under Article 2.122, Code of Criminal Procedure; a Customs and Border Protection Officer or Border Patrol Agent; and an immigration enforcement agent or deportation officer of the Department of Homeland Security. For those added, the surviving spouse was a resident of the state at the time of the first responder's death.

Proposed Effective: 1/1/2020.

Status: Filed.

Special Valuation

UNCOMMON AGRICULTURAL USES ADDED
FOR OPEN-SPACE LAND APPRAISAL ON
SMALL LAND TRACTS

HB 97 Rodriguez

Adds 23.5215; amends 23.51

HB 97 adds guidelines for uncommon agricultural uses, particularly for small-scale producers on land under 10 acres. In consultation with the Texas A&M AgriLife Extension Service, appraisal districts and producers and by September 1, 2020, the Texas Comptroller shall develop guidelines and may consider financial investment, degree of active management and percentage of land tract used for ag uses. Landowners could qualify for the 2021 tax year or later. The chief appraiser shall distinguish between the degree of intensity required for various agricultural methods, including organic, sustainable, pastured poultry, rotational grazing and other uncommon methods. Producing fruits and vegetables is added to the definition of agricultural use.

Proposed Effective: 9/1/2019.

Status: Filed.

INTEREST RATE LOWERED FOR AG
ROLLBACK TAX BILL

HB 163 Phillips

Amends 23.55

HB 163 reduces the number of years for a rollback tax bill for changing land to a non-agricultural use from five years to three years and lowers the interest rate imposed on a rollback tax bill from 7% to 5%.

Proposed Effective: 9/1/2019.

Status: Filed.

LAND USED AS ECOLOGICAL LAB MUST
MEET FIVE-YEAR REQUIREMENT

SB 135 Nichols

Amends 23.51

SB 135 adds that land used as an ecological laboratory by a public or private university must be used principally in that manner by the college or university for five of the preceding seven years.

Proposed Effective: 1/1/2020.

Status: Filed.

Appraisal Review Board (ARB)

COMPTROLLER PROPERTY TAX
ADMINISTRATION ADVISORY BOARD
ESTABLISHED, ALONG WITH REVISIONS TO
ARB AND ARBITRATION TRAINING, ARB
PROTEST PROCESS AND SURVEY

HB 54 Zerwas; similar SB 67 Nelson

Adds 5.01, 5.043, 5.104 and amends 1.085, 5.041,
5.103, 6.412, 6.42, 41.46, 41.461, 41.47, 41.66,
41.67, 41.71, 41A.06, 41A.061, 41A.09

HB 54 revises the system for protesting to the appraisal review board (ARB) or appealing certain property tax determinations.

ARB Training

The Comptroller's ARB training class for new ARB members is to be at least eight hours of classroom training and education. The advanced ARB training class must be at least four hours.

SB 67 includes that the ARB training fee may not exceed \$50 for each person trained, including an individual other than an ARB member. SB 67 also

revises Section 5.102 to provide that the Comptroller may consult with the property tax administration advisory board in conducting the appraisal district review of standards, procedures and methodology.

Arbitrator Training

The Comptroller shall provide an arbitration manual and other materials in training arbitrators and make those materials freely available online. The manual shall be updated regularly and revised by written request. Revised language must be approved by unanimous agreement of a Comptroller committee composed of taxpayers and chief appraisers. The person requesting the revision must pay costs of mediation, if that is necessary. The Comptroller shall supervise at least a four-hour training program for arbitrators on property tax law, with an emphasis on requirements of equal and uniform appraisal of property. The training program may be provided online, with the Comptroller by rule prescribing the verification procedures. The Comptroller may contract with service providers for the arbitrator training, but not with a CAD, chief appraiser, CAD employee, CAD director, ARB member or a taxing unit. The Comptroller fee may not exceed \$50 per person. A person may not serve as an arbitrator or be renewed until completing the Comptroller training. The training may be online, and the Comptroller rule shall prescribe the verification that the training program was taken online and completed.

To qualify as an arbitrator, the person must complete the Comptroller's ARB training and be issued a certificate and complete the Comptroller's arbitrator training on property tax law.

SB 67 includes that the Comptroller may remove a person from the arbitration registry if a person fails to complete a revised training program on property tax law for arbitrators not later than the 120th day after the date the program is available, if the Comptroller has revised substantially the program.

ARB Survey

The Comptroller shall prepare an ARB survey for individuals to submit comments to the Comptroller regarding the ARB and instructions for submitting the survey. Individuals that may complete the survey include a property owner with a Chapter 41 protest or with a 25.25 motion, the property owner's agent or a

designated representative of the CAD in which the protest or motion was filed who attends the hearing on the motion or protest. The survey allows the individual to submit comments and suggestions. The CAD provides the survey and instructions to each property owner or agent at or before each hearing. The individual submits the survey to the Comptroller, with only one survey for each motion or protest. The CAD may not accept the survey from the owner or agent. The Comptroller may receive the survey in person, by mail, by email or through a web page on the Comptroller's website. The CAD may not require the survey to be completed at the CAD office. The survey must be submitted within 45 days after the survey is mailed with the determination order. The Comptroller issues an annual report summarizing the surveys during the preceding year, but not disclosing the individual's identity.

ARB Members Eligibility, Officers and Panels

Along with the current items prohibiting service on the ARB, this bill adds that the person may not serve as an ARB member if related within the third degree by blood or second degree by marriage to a current member of the ARB. A person is not eligible to serve if the person has served for all or part of three previous terms as an ARB member or auxiliary ARB member.

The local administrative judge in the county in which the CAD is established selects the ARB chair and secretary, rather than the ARB.

The concurrence of a majority of the ARB or an ARB panel present at a meeting of the ARB or panel is sufficient for a recommendation, determination, decision or other action. A concurrence by more than a majority of the all the ARB members or all members of a panel may not be required.

ARB Notices and Requested Information

The ARB hearing notice must also include the subject matter of the hearing, along with the date, time and place. The notice is required to be delivered 14 days before the first scheduled hearing, rather than a postponed hearing date.

The chief appraiser may not charge a property owner or owner's agent for copies of the data, schedules, formulas and other information to be introduced at the

protest hearing, regardless of the way the copies are prepared or delivered. The bill removes the \$15 and \$25 maximum charges for copies of this information. The chief appraiser may deliver the information requested by regular first class-mail or electronically as provided by the agreement with the property owner or owner's agent, or by referring the property owner or agent to the CAD's website on which the requested information is readily available. The hearing notice must contain a statement in a conspicuous font that clearly indicates the owner or agent may on request receive the information by first-class mail.

ARB Decisions

The ARB may not determine the appraised value of a property in a protest to be greater than the appraised value as shown in the appraisal records submitted by the chief appraiser.

The ARB shall determine the protest and send the certified mail no later than the 15th after the hearing is concluded.

HB 54 also includes that, with its determination sent by certified mail, the ARB shall include the Comptroller's ARB survey and instructions for submitting it.

ARB Hearings

The ARB shall postpone a hearing if the property owner's agent requests additional time. A hearing filed by a property owner's agent shall be set for a certain time and date. Current law only allows the property owner to request a postponement or have a certain time and date. On the owner's or agent's request, the ARB shall schedule hearings for up to 20 designated properties to be held consecutively on the same day. The hearing notice must state the date and time that the first hearing begins, state the date the last hearing will end and list the order the hearings will be held. The hearing order may not be changed without the property owner's or agent's agreement, the chief appraiser and the ARB. The ARB may not reschedule a hearing to a date earlier than the seventh day after the date the last hearing was scheduled to end unless agreed by all parties. Unless agree by all parties, the ARB must provide hearing notice of the date and time of the rescheduled hearing no later than the seventh date before the hearing date. At the end of the hearing, the ARB provides the property owner or agent with

the ARB members that heard the protest and signed the required affidavit.

Information that was previously requested by a protesting party and not delivered at least 14 days before the first schedule hearing date may not be used or offered in any form as evidence in the hearing, including a document or through argument or testimony.

By rule, the ARB shall provide for hearings on a Saturday or after 5 p.m. on a weekday. The ARB may not schedule a protest hearing on a weekday evening to begin after 7 p.m. or schedule a hearing on a Sunday.

State Administration

A minimum six-member Property Tax Administration Advisory Board will be created to improve the effectiveness and efficiency of the property tax system, best practices and complaint resolution. For more about this board, see also *Appraisal District Administration*.

Proposed Effective: 1/1/2020.

Status: Filed.

ARB AND CHIEF APPRAISER REVIEW
PROPERTY OWNER AFFIDAVIT BEFORE
PROTEST HEARING

SB 211 Flores

Adds Chapter 42, Subchapter B-1; amends 41.45

SB 211 adds that the chief appraiser is entitled to a copy of a property owner's affidavit submitted to the ARB. The chief appraiser and ARB shall review the evidence or argument provided by the property owner before the protest hearing. See *Appraisal District Litigation* for an alternative appeal process in Atascosa County.

Proposed Effective: 9/1/2019.

Status: Filed.

Appraisal District Litigation

DISTRICT COURT GRANTED MORE
AUTHORITY TO DETERMINE TAX APPEALS

HB 380 Geren

Adds 42.231 and amends 42.01

HB 380 adds that the property owner may appeal to district court a motion filed under Section 25.25 for a correction or for Section 41.411 no-notice appeal or for a refund under Section 23.1243 without being one that required the ARB's determination. The owner may appeal the decision that the ARB lacks jurisdiction to determine a protest or a motion filed by an owner under Section 25.25 because the owner failed to comply with a requirement of Section 25.25 or Chapter 41C. If the court determines that the ARB did have jurisdiction, the court determines the final determination of the protest. If the property owner failed to exhaust the owner's administrative remedies, the court may remand the action to the ARB with instructions to allow the owner to cure the owner's failure, in lieu of dismissing the appeal.

Proposed Effective: 9/1/2019.

Status: Filed.

ALTERNATIVE APPEAL PROCESS FOR ARB
DETERMINATIONS SET OUT FOR ATASCOSA
COUNTY

SB 211 Flores

Adds Chapter 42, Subchapter B-1; amends 41.45

An alternative process of appealing an ARB determination applies to Atascosa County (population of less than 45,500, shares a border with a county that has a population of 1.5 million, is within 200 miles of an international board and has the Atascosa River flow through it). As an alternative to filing a lawsuit in district court, an Atascosa County property owner may appeal an ARB decision to a justice court. The appeal addresses a determination of appraised value or exemption, and the amount of taxes in dispute is \$5,000 or less. This provision expires September 1, 2025. When it expires, the Office of Court Administration (OCA) shall conduct a study of its effectiveness in increasing court efficiency and improving property owners' ability to exercise their appeal rights. By December 1, 2026, the OCA shall report its findings to the Legislature. See *Appraisal Review Board* for ARB change.

Proposed Effective: 9/1/2019.

Status: Filed.

Assessment & Truth-in-Taxation

LEGISLATURE RESTRICTED ON POWER TO MANDATE REQUIREMENTS ON A COUNTY OR CITY

HJR 30 Burns

Adds Tex. Const. Art. 3, Sec. 68

The constitutional amendment would provide that a law passed by the Legislature is not effective if it requires a county or city to establish, expand or modify a duty or activity and the Legislature does not appropriate reimbursement of the costs, from a source other than the revenue of the county or city.

Proposed Effective: 1/1/2018, if voters approve constitutional amendment November 5, 2019.

Status: Filed.

TAXING UNIT REQUIRED TO POST CERTAIN INFORMATION ON ITS WEBSITE

HB 305 Paul

Adds Government Code Chapter 2051, Subchapter E

HB 305 requires a political subdivision with the authority to impose a tax to post certain information on its publicly accessible website, including contact information, elected officers, candidates for elected office, date and location of next election for officers, meeting notices and meeting minutes.

Proposed Effective: 9/1/2019.

Status: Filed.

ELECTIONS HELD ON NOVEMBER GENERAL ELECTION DATE ONLY

HB 365 Cain

Adds Election Code 41.0051 and amends Election Code 41.001, 41.0052, 41.253, 43.007 and repeals other subsections; amends Water Code 49.103, 56.804; repeals Education Code 11.0581

HB 365 provides that all general or special elections be held on the first Tuesday after the first Monday in November in even-numbered years, with a few exceptions. An election for issuing bonds by a political subdivision shall be held on this uniform election date in even-numbered years. The governing body of a political subdivision that has a different election date has until December 31, 2019, to change to the November election date in a manner that does not cause an officer's term to exceed any

constitutional limits. This bill removes the general election date in May.

Proposed Effective: 9/1/2019.

Status: Filed.

ITEMS ADDED TO BOND ELECTION BALLOT LANGUAGE

HB 430 Shaheen

Adds Election Code 274.005; adds Government Code Chapter 1253

HB 430 requires that a taxing unit on a bond election ballot for general obligation bonds include the following: current total debt of unit and amount per capita; maximum amount of debt authorized if proposition passed; and maximum estimated cost to repay the bond, including principal and interest, at a stated likely interest rate.

Proposed Effective: 9/1/2019.

Status: Filed.

LIMIT SET ON GENERAL OBLIGATION BONDS ISSUED BY A TAXING UNIT

HB 440 Murphy

Adds Government Code Chapter 1253 and repeals Chapter 1332; amends Election Code 4.003, 85.062

HB 440 provides that a political subdivision may not issue general obligation bonds to purchase, improve or construct improvements or to purchase personal property if the weighted average maturity of the bonds exceeds 120% of the reasonably expected weighted average economic life of the improvements or personal property financed with the bonds. The political subdivision may use unspent bond proceeds for the specific purposes for which the bonds were authorized, to retire the bonds or for another purpose that a majority of voters approve if the original project is accomplished or abandoned.

Proposed Effective: 9/1/2019.

Status: Filed.

Tax Collections

INSTALLMENT PAYMENT OF CURRENT TAXES EXTENDED TO ALL RESIDENCE HOMESTEADS

HB 198 Bernal

Amends 31.031

HB 198 makes the right to pay current taxes in four equal installments available to all homeowners who qualify for the residence homestead exemptions. The right to make installment payments is presently limited to the homeowners age 65 or older, to disabled homeowners and to disabled veteran homeowners.

Proposed Effective: 1/1/2020.

Status: Filed.

Delinquent Tax Litigation

County Tax Assessor-Collectors

School Finance

SCHOOL FINANCE SYSTEM OVERHAULED

HB 89 Gonzalez; SB 136 Rodriquez

Adds Education Code 42.010 and 42.011 and amends and repeals various sections of Education Code

These bills require a comprehensive review of the public-school finance weights, allotments and adjustments with a report to the Legislature by December 1, 2020. The bills tie a school's wealth level to the greater of the M&O per weighted student available to Austin ISD or a district at the 95th percentile in wealth per student. They remove the current wealth of \$319,500 of wealth per student. The bills increase the basic allotment from \$4,765 to \$5,440 or \$5,840, based on the Comptroller determination of Texas Consumer Price Index. The bills increase the multiplier for the adjusted basic allotment to 0.25, up from 0.2.

Proposed Effective: 9/1/2017.

Status: Filed.

SCHOOL BOND ELECTION HAS ONE PROJECT

HB 134 Swanson

Amends Education Code 45.003

HB 134 provides that a school bond election may not include more than one project or category of expenditure in any proposition.

Proposed Effective: 9/1/2019.

Status: Filed.

MOST SCHOOL M&O TAXES ELIMINATED

HB 297 Murr

Amends 21.01, 21.02, 25.25, 26.012, 26.04, 26.05, 26.16, 31.01, 312.210; repeals 26.08, 26.085, 171.664; amends and repeals numerous sections in the Education Code; amends Government Code 403.109

HB 297 eliminates most of a school district's maintenance and operations taxes and changes the term to "enrichment." The school district "Notice of Public Meeting to Discuss Budget and Proposed Tax Rate" includes the "enrichment" tax rate for that tax year. The "enrichment" tax rate adopted by a district may not exceed \$0.17 per \$100 of value. The state sales tax and motor vehicle tax rates increase to 12%, with the increase amount above the 6.25% dedicated to the foundation school fund. Other state tax rates would be increased to fund public schools.

Proposed Effective: Varies, with some sections 1/1/2020 and others 10/1/2020.

Status: Filed.

LIMIT PLACED ON SCHOOL TAX RECAPTURE AMOUNT FOR A SCHOOL DISTRICT

HB 443 Meyer

Adds Education Code 41.0932

HB 443 limits the amount of school property taxes that a school district must pay in recapture by providing that the school district retains M&O taxes sufficient to pay the district's average M&O costs per student in weighed average daily attendance and adjusted for inflation, based on determination by the Education Commissioner.

Proposed Effective: Immediately if passed by two-thirds of both houses; otherwise, 9/1/2019.

Status: Filed.

STATE FUNDS 50% OF SCHOOL SYSTEM MAINTENANCE AND OPERATION COSTS

HB 462, HJR 24 Geren

Adds Education Code 42.25191; amends Tex. Const. Art. 7, Section 1 and Art. 3, Section 49a

HB 462 and its constitutional amendment requires the state to fund at least 50 percent of the cost of maintaining and operating the school finance system. The Legislature may not consider local property taxes sent to the state by a school district in equalizing wealth. The Legislature shall set the basic allotment

and the guaranteed level of state and local funds per weighted student per cent of tax effort at the amount necessary for funding maintenance and operation.

Proposed Effective: 9/1/2020, if voters approve constitutional amendment November 5, 2019.

Status: Filed.

Special & Miscellaneous

MIDLAND HOSPITAL DISTRICT IMPOSES SALES AND USE TAX

HB 279 Craddick

Amends 26.012; adds Special District Local Laws Code Chapter 1061, Subchapter G, and amends 1061.151

HB 279 provides that the Midland Hospital District may impose an additional sales and use tax.

Proposed Effective: Immediately if passed by two-thirds of both houses; otherwise, 9/1/2019.

Status: Filed.

TAX ABATEMENTS CHAPTER CONTINUED

SB 118 West, HB 360 Murphy

Amends 312.006

These bills extend the expiration date for tax abatement provisions to September 1, 2029. Current law has Chapter 312 expiring September 1, 2019.

Proposed Effective: Immediately if passed by two-thirds of both houses; otherwise, 9/1/2019.

Status: Filed.

EMINENT DOMAIN DATABASE REPORTING CHANGED FOR CERTAIN SCHOOL DISTRICTS

SB 175 Perry

Amends Government Code 2206.154

SB 174 adds that a school district in a county with less than 25,000 population is required to file an annual report about the district's eminent domain authority only if changes have occurred since the most recent report filed with the Texas Comptroller. By February 1 of the current reporting period, the district shall confirm the accuracy of the report by electronically update the previously filed report in the manner prescribed by the Comptroller.

Proposed Effective: 9/1/2019.

Status: Filed.

Open Meetings, Chapter 551

Open Records, Chapter 552

PUBLIC OFFICERS HAVE RIGHT TO INFORMATION OF THEIR GOVERNMENT BODY

SB 84 Hall

Adds Government Code Chapter 620

SB 84 provides that an elected or appointed officer of a governmental body has the right to access information of that body. Chapter 551, Open Records Act, does not apply to this access. The official does not have to obtain approval from the governing body to obtain information. The governing body may not adopt or enforce a measure to restrict or limit access. Proposed Effective: Immediately if passed by two-thirds of both houses; otherwise, effective 9/1/2019.

Status: Filed.

Other Codes and Statutes

OIL AND GAS PRODUCTION TAX EARMARKED FOR COUNTY ROADS

HB 42, HJR 13 White

Adds Chapter 205 and amends 201.404, 202.353 adds Tex. Const. Article III, section 51-b

HB 42 and HJR 13 constitutional amendment would allocate a portion of the state oil and gas production tax revenue to the counties from which the oil and gas originated, to be used solely for constructing and maintaining county roads and bridges impacted by the oil and gas activities. The Texas Comptroller shall deposit 25% of this state revenue to the foundation school fund; 2% to a trust fund for disbursement to the counties; and the remainder to the state's general revenue fund. A county's share of revenue in the trust fund is based on the proportion of that county's oil and gas production to the total oil and gas production in Texas. The Comptroller remits the county's share no later than 90 days after the last day of the calendar month it was deposited in the trust fund.

Proposed Effective: 9/1/2021, if voters approve constitutional amendment November 5, 2019.

Status: Filed.

TEXAS ETHICS COMMISSION DISMISSES
COMPLAINT FILED BY VEXATIOUS
COMPLAINANT

HB 46 Johnson

Adds Government Code 571.1223

HB 46 grants the Texas Ethics Commission the authority to dismiss a complaint if it determines that the complaint was filed by a vexatious complainant. A vexatious complainant is an individual who files a complaint that has no credible evidence to determine a violation has occurred and that the individual has made at least five sworn complaints in the seven-year period immediately preceding the complaint. These previous complaints have been dismissed, have found no violation or have insufficient credible evidence to determine a violation. A vexatious complainant also is an individual who repeatedly refiles sworn complaints based on the same occurrence for which a previous complaint has been dismissed by the Commission.

Proposed Effective: 9/1/2019.

Status: Filed.

REGULATORY TAX DEFINITION ADDED TO
TEXAS CONSTITUTION

HB 150, HJR 16 Raymond

Adds Tax Code Chapter 102; adds Government Code 325.0124; adds Tex. Const. Art. 8, Section 2-a

HB 150 and its constitutional amendment, titled the "honesty in state taxation," adds a definition of "regulatory tax" as a fee, levy, surcharge, assessment, penalty or other charge to raise revenue for general purposes. After the election, the Legislature may not enact a law if the tax is identified as a fee, levy, surcharge, assessment or penalty. By January 1, 2022, the Legislature shall revise every reference in state statute.

Proposed Effective: 9/1/2019; amendment effective if voters approve constitutional amendment November 5, 2019.

Status: Filed.

GOVERNMENT CONTRACTOR REQUIRED TO
VERIFY COMPLIANCE WITH WAGE PAYMENT
LAWS

HB 169 Canales

Adds Government Code 2252, Subchapter H

HB 169 provides that a governmental contractor certifies in writing that during the three years preceding a contract with a government entity that the contractor, including any subcontractor, was not found guilty or liable in any judicial or administrative proceeding for a violation of wage payment laws. If awarded a contract in violation of the new law, the contractor is ineligible, and the governing body refers the matter to the Comptroller.

Proposed Effective: 9/1/2019.

Status: Filed.

STATE CREATES THE UNFUNDED MANDATES
INTERAGENCY WORK GROUP

SB 62 Zaffirini

Amends Government Code 320.001

SB 62 creates the unfunded mandates interagency work group consisting of the state auditor, Legislative Budget Board director, Texas Comptroller, a senator appointed by the Lt. Governor and a representative appointed by the Speaker of the House. No later than September 1 following a regular legislative session, the interagency work group shall publish an advisory list of mandates for which the Legislature has not provided reimbursement.

Proposed Effective: Immediately if passed by two-thirds of both houses; otherwise, effective 9/1/2019.

Status: Filed.

LEGISLATURE RESTRICTED ON POWER TO
MANDATE REQUIREMENTS ON A COUNTY
OR CITY

SJR 10 Buckingham

Adds Tex. Const. Art. 3, Sec. 68

The constitutional amendment would provide that a law passed by the Legislature is not effective if it requires a county or city to establish, expand or modify a duty or activity and the Legislature does not appropriate reimbursement of the costs, from a source other than the revenue of the county or city.

Proposed Effective: 1/1/2020, if voters approve constitutional amendment November 5, 2019.

Status: Filed.