

Bills Passed the 2017 Regular Session of the 85th Texas Legislature

June 19, 2017

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On June 6, Governor Abbott called for a special session to begin July 18 to address the continuation of five state agencies, including the Texas Medical Board. These five agencies will face sunset without new legislation to continue them. When the Senate passes that legislation, the Governor will add 19 other items to the call, including property tax reform and rollback elections for tax increases. Perdue Brandon will track property tax bills filed for and considered during the special session. Prefiling of bills may begin once the Governor issues the Proclamation.

This issue of *Bills Passed* continues our in-depth analysis of the bills passed during the regular session. The Governor's deadline to sign, veto or take no action on these bills was June 18, 2017. Latest actions on bills since our last issue of June 8 are highlighted. The Governor vetoed two bills listed in this issue, and two bills require approval of constitutional amendments by Texas voters November 7.

Perdue Brandon organizes *Bills Passed* by subject matter. Each bill includes a summary and 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.pbfc.com for updates, including for the July special session.

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Appraisal District Administration

SPOUSES AND CHILDREN OF PEACE OFFICER
REQUEST HOME ADDRESS BE
CONFIDENTIAL

HB 457 Holland

Amends 25.025

HB 457 adds the spouse or surviving spouse of a peace officer and the adult child of a current peace officer, as defined in Code of Criminal Procedure Article 2.12, to those who may request that their home address be confidential.

Effective: 6/15/2017, on Governor's signature.

Status: NEW LAW. Governor signed HB 457 6/15/17.

CURRENT AND FORMER PROSECUTORS
REQUEST HOME ADDRESS BE
CONFIDENTIAL

HB 1278 Dutton

Amends 25.025; amends Government Code 552.117, 552.1175

HB 1278 adds a current or former district attorney, criminal district attorney or a county or municipal attorney whose jurisdiction includes any criminal law or child protective service matters to the list that may request their home address be exempt from disclosure.

Effective: 6/15/2017, on Governor's signature.

Status: NEW LAW. Governor signed HB 1278 6/15/17.

FEDERAL OR STATE JUDGE'S HOME
ADDRESS IS AUTOMATICALLY
CONFIDENTIAL

SB 42 Zaffirini

Amends 25.025

SB 42 provides that the home address information of a federal or state judge, or their spouses, is automatically confidential and exempt from disclosure in the appraisal records, beginning on the date that the Office of Court Administration notifies the appraisal district of the judge's qualification for the judge's office. The judge or spouse no longer must request the exemption from disclosure by form. Effective: 9/1/2017.

Status: NEW LAW. Governor signed SB 42 5/27/17.

VICTIMS OF FAMILY VIOLENCE, ABUSE OR
ASSAULT HOME ADDRESS REQUEST HOME
ADDRESS BE CONFIDENTIAL

SB 256 Taylor

Amends 25.025

SB 256 revises the procedures for keeping the home address confidential and not open to public disclosure for an individual, the individual's child or another person in the household who is a victim of family violence. The individual provides a copy of a protective order, magistrate's order for emergency protection or other independent document that indicates a victim of family violence. Two other types of individuals that may request their home address be kept confidential are: (1) a person who is a victim of sexual abuse; or (2) a victim of assault, stalking or trafficking. The person provides the same type of documents or is a participant in the address confidentiality program by the Attorney General's office.

Effective: 5/19/17, on Governor's signature.

Status: NEW LAW. Governor signed SB 256 5/19/17.

CURRENT OR FORMER EMPLOYEE OF
FEDERAL OR STATE JUDGE REQUEST HOME
ADDRESS BE CONFIDENTIAL

SB 510 Zaffirini

Amends 25.025

SB 510 provides that the home address information of a current or former employee of a federal or state

judge may be exempt from disclosure in the appraisal records on written request.

Effective: 5/27/17, on Governor's signature.

Status: NEW LAW. Governor signed SB 510 5/27/17.

TEXAS CIVIL COMMITMENT OFFICE'S
EMPLOYEES REQUEST HOME ADDRESS BE
CONFIDENTIAL

SB 1576 Perry

Amends 25.025; amends other sections of various Codes

SB 1576 adds a current or former employee of the Texas Civil Commitment Office (or its predecessor in function or division) to the list that may request their home address be exempt from disclosure. These employees deal with individuals who are sexually violent predators.

Effective: 9/1/2017.

Status: NEW LAW. Governor signed SB 1576 5/18/17.

COMPTROLLER PROHIBITED FROM POSTING
ON WEBSITE HOTEL OCCUPANCY TAX DATA

SB 1086 Seliger

Adds 156.155

SB 1086 adds that a state agency (Comptroller) may not post on a public website information that identifies the taxable receipts of an individual business contained in a document required to be provided to the agency, such as hotel occupancy tax information. Information that is collected or maintained by a state agency is public information under Government Code Section 552.002 and is provided access in the manner provided by Chapter 552, Open Records Act.

The Comptroller has removed access to the Hotel Data Search page and adds that users are still permitted to request the data by submitting an open records request.

Effective: 5/18/17, on Governor's signature.

Status: NEW LAW. Governor signed SB 1086 5/18/17.

SOME GROUPS MAY AND OTHERS MAY NOT
LAWFULLY TAKE AND USE DRONE IMAGES

SB 840 Zaffirini

Amends Government Code 423.002

SB 840 addresses when it is lawful to capture an image using an unmanned aircraft in Texas. To the group allowed such images, SB 840 expands the lawful use of unmanned aircraft to capture images by: 1) a telecommunications provider for maintenance of facilities or systems; 2) by an insurance company employee in connection with underwriting a policy and the operator of the unmanned aircraft authorized by FAA to conduct operations; and 3) investigation by law enforcement of real property or a person on it within 25 miles of the U.S. border to ensure border security.

Effective: 9/1/2017.

Status: NEW LAW. Governor signed SB 840 6/9/17.

CHIEF APPRAISER GIVEN AUTHORITY TO
CORRECT ERRONEOUS DENIAL OR
CANCELLATION OF EXEMPTION

SB 945 Bettencourt

Amends 25.25

SB 945 expands the authority of the chief appraiser to correct the appraisal roll after certification to include correcting an erroneous denial or cancellation of a homestead exemption for the disabled or elderly or an exemption for a disabled veteran.

Effective: 5/22/17, on Governor's signature.

Status: NEW LAW. Governor signed SB 945 5/22/17.

APPRAISAL AND PROTEST DEADLINES
CHANGED

HB 2228 Murphy

Amends 11.4391, 21.09, 22.23, 41.11, 41.44

HB 2228 changes several deadlines: the late deadline for filing for the freeport goods is changed to not later than June 15 (current law is before the ARB approves the records); a request for allocation of value must be filed before April 1 (current law is before May 1), with the provision for extending the deadline can be for 30 days (current is 45 days) and that the chief appraiser may add an additional 30 days (current law is 60 days); rendition statements for property regulated by the Public Utility Commission, Railroad

Commission, Federal Surface Transportation Board or Federal Energy Regulatory Commission must be delivered to chief appraiser by April 30, and the chief appraiser may extend by 15 days for good cause on written request of the owner.

For property subject to a freeport exemption for at least one taxing unit, the owner must apply by April 1, but may request in writing an extension of the deadline, which the chief appraiser must extend to not later than May 1. The chief appraiser may further extend the deadline for an additional 15 days for good cause shown in writing by the owner.

HB 2228 also moves the general protest deadline to May 15 (instead of before April 1) or 30 days after receipt of notice, whichever is later. The bill abolishes the early delivery of homestead notices with its confusing deadline language.

Effective: 1/1/2018.

Status: NEW LAW. Governor signed HB 2228 6/1/17.

NUECES AND SAN PATRICIO COUNTIES
ADDRESS DOUBLE TAXATION BY LIKE
TAXING UNITS

SB 2242 Hinojosa

Adds 31.112 and amends 25.25, 31.12; adds Local Government Code 72.010; amends Education Code 42.2532

SB 2242 addresses double taxation of properties by like taxing units. SB 2242 does not specifically name Nueces and San Patricio Counties but uses county and municipality populations to identify the counties and includes a taxing unit that has territory in the area double taxed. The Local Government Code addresses a lawsuit to establish the boundaries of and taxes owed with jurisdiction directly in the Texas Supreme Court. The chief appraiser of each county is required to correct the appraisal roll no later than 45 days after a final order is issued on the lawsuit, whether issued by the Court or by settlement. The tax refund process is outlined. The Education Commissioner adjusts the school district values for the correction of the double taxation.

Effective: 6/12/17, on Governor's signature.

Status: NEW LAW. Governor signed SB 2242 6/12/17.

Appraisal

MANUFACTURED HOUSING REGULATIONS CHANGED

HB 2019 T. King

Amends 1.04, 11.432, 23.127, 25.08 and 32.03; amends and repeals various sections of Occupations Code Chapter 1201

HB 2019 revises the regulation of manufactured housing. The chief appraiser shall appraise retail manufactured housing inventory as provided in Section 23.127. The Statement of Ownership and Location is changed to Statement of Ownership. The Texas Department of Housing and Community Affairs sets up a website with searchable and downloadable information on manufactured housing ownership, liens, installation, license holder records, shipment reports and enforcement actions. HB 2019 revised the filing of tax liens to include, that with respect to each January 1 occurring in the 18-month period preceding the date of the sale, there are no perfected and enforceable tax liens on the manufactured home that have not been extinguished and canceled in accordance with Tax Code Section 32.105, or personal property taxes due on the manufactured home.

Effective: 9/1/2017.

Status: NEW LAW. Governor signed HB 2019 6/1/17.

Exemptions

PARTIAL EXEMPTION APPLIED TO DONATED DISABLED VETERAN'S HOMESTEAD; TAX DEFERRAL INTEREST RATE CHANGED

HB 150, HJR 21 Bell

Amends 11.132 and 33.06; amends Tex. Const. Art. 8, Sec. 1(b)(1)

HB 150 and the constitutional amendment amend the partial homestead exemption for disabled veterans to include housing donated to a disabled veteran for less than 50% of the estimate of market value by the charitable organization that donates the housing. Presently, this exemption is available only to those homes donated at no cost.

For the change in the interest rate on tax deferrals, see *Delinquent Tax Litigation*.

Effective: 1/1/2018, if voters approve constitutional amendment November 7, 2017.

Status: Subject to voter approval. Governor signed HB 150 6/15/17. HJR 21 will be on November 7 ballot.

LATE APPLICATION DEADLINE EXTENDED FOR HOMESTEAD AND DISABLED VETERAN'S EXEMPTIONS

HB 626 Workman

Amends 11.431, 11.439

HB 626 extends the deadline for the late application for a homestead exemption to two years after the delinquency date for the home taxes. Current law requires filing the application no later than one year after the delinquency date. For the disabled veteran's exemption, the application deadline is extended to no later than five years (from one year) after the delinquency date. For these late applications, the chief appraiser notifies each taxing unit's collector within 30 days after the date the application is approved. The collector is required to issue any refund not later than 60 days after the chief appraiser notifies the collector. Effective: 9/1/2017.

Status: NEW LAW. Governor signed HB 626 5/29/17.

CHIEF APPRAISER LIMITED ON REAPPLICATION BY TOTALLY DISABLED VETERAN

HB 1101 Pickett

Amends 11.43

HB 1101 prevents the chief appraiser from requesting a new homestead exemption application to confirm current qualifications from a totally disabled veteran who has a permanent total disability determined by the Veterans Administration.

Effective: 1/1/2018.

Status: NEW LAW. Governor signed HB 1101 5/26/17.

NAVIGATION DISTRICT PROPERTY IS EXEMPT FROM TAXES

SB 1133 Hinojosa

Adds Water Code 60.005

SB 1133 provides that navigation district property is public property used for essential public and governmental purposes and exempt from all taxes and special assessments by the state or a political subdivision.

Effective: 5/26/17, on Governor's signature.

Status: NEW LAW. Governor signed SB 1133 5/26/17.

NON-PROFIT MEDICAL CENTER PROPERTY IS EXEMPT IN HARRIS COUNTY

HB 2999 D. Bonnen

Amends 11.23

HB 2999 adds that, in a county with a population of 3.3 million or more (Harris County), all real and personal property owned by a nonprofit corporation organized exclusively for benevolent, charitable and educational purposes is exempt. The property uses add research and auxiliary uses to support the organization, such as invention, development and dissemination of materials, tools, technologies, etc. This change to Section 11.23 does not exempt any interest in real or personal property of a for-profit lessee of property for which a nonprofit corporation is entitled to a property tax exemption. The subsection may not be construed to exempt from taxation any interest in real or personal property, including a leasehold or other possessory interest, of a for-profit lessee of property for which a nonprofit corporation is entitled to exemption.

Effective: 1/1/2018.

Status: NEW LAW. Governor signed HB 2999 5/29/17.

USE REQUIREMENT DEFINED FOR TANGIBLE PERSONAL PROPERTY MOVING IN AND OUT OF TEXAS

HB 3103 Darby

Amends 11.01

HB 3103 addresses tangible personal property used in Texas and outside of Texas to determine its situs for taxation. The property is considered to be used continually in Texas, whether regularly or irregularly, if the property is used in Texas three or more times on

regular routes or for three or more completed assignments occurring in close succession throughout the year. A series of events in close succession are if they occur in sequence within a short period of intervals from the beginning to the end of the year.

Effective: 6/15/2017, on Governor's signature.

Status: NEW LAW. Governor signed HB 3103 6/15/17.

FIRST RESPONDER'S SURVIVING SPOUSE HOMESTEAD IS EXEMPT

SB 15 Huffines, SJR 1 Campbell

Adds 11.134; amends 11.42, 11.43, 11.431, 26.10, 26.112; amends Government Code 403.302; adds Tex. Const. Art. 8, Sec. 1-b(o) and (p)

SB 15 and the constitutional amendment provide a 100% homestead exemption to the surviving spouse of a first responder killed while on duty. The exemption is transferrable in its dollar amount to a new homestead. The exemption is effective if the surviving spouse is an eligible survivor for purposes of Government Code Chapter 615, as determined by the Employees Retirement System, and has not remarried since the death of the first responder. The exemption applies regardless of the date of the first responder's death if the surviving spouse meets the qualifications. A one-time application is required. The application must be made within one year of qualification to be timely for the first year. The exemption applies for the whole first year but is prorated off if property ceases to qualify. The Comptroller adjusts the property values for school districts for state aid adjustments to compensate schools for the loss.

Effective: 1/1/2018, if voters approve constitutional amendment November 7, 2017.

Status: Subject to voter approval. Governor signed SB 15 6/9/17. SJR 1 will be on November 7 ballot.

CHARITY THAT DOES TAX RETURNS IS EXEMPT FROM PROPERTY TAXES

SB 1345 Watson

Amends 11.18

SB 1345 exempts charitable organization's property used to provide tax return preparation and other financial services without the beneficiaries' ability to pay.

Effective: 1/1/2018.

Status: NEW LAW. Governor signed SB 1345 6/15/17.

COUNTY FAIRS ASSOCIATION EXEMPTION
CHANGED TO REFER TO TEXAS RACING ACT

SB 1969 Kolkhorst

Amends 11.23 and various sections of Occupations
Code Title 13

SB 1969 changes the cite for the county fairs
association exemption from Article 179e, Vernon's
Texas Civil Statutes to Subtitle A-1, Title 13,
Occupations Code, Texas Racing Act.

Effective: 4/1/2019.

**Status: NEW LAW. Governor signed SB 1969
6/15/17.**

Special Valuation

OWNER OF HEAVY EQUIPMENT INVENTORY
GETS 10 EXTRA DAYS TO PREPAY TAX

HB 1346 Button

Amends 23.1242

HB 1346 gives the owner/dealer of heavy equipment
inventory 20 days after the first of each month to file
the required form and prepay the inventory tax.
Current law requires the owner/dealer to file and pay
by the 10th day of the month.

Effective: 9/1/2017.

**Status: NEW LAW. Governor signed HB 1346
5/23/17.**

AG ROLLBACK TAX DOES NOT APPLY TO
CHANGE FOR OIL AND GAS LEASE

HB 3198 Darby

Adds 23.524

HB 3198 adds that the eligibility of land for
agricultural appraisal does not end because a lessee
under an oil and gas lease begins conducting oil and
gas operations over which the Texas Railroad
Commission has jurisdiction on the land, if the
portion of the land on which oil and gas operations are
not being conducted otherwise continues to qualify
for agricultural appraisal.

Effective: 9/1/2017.

**Status: NEW LAW. Governor signed HB 3198
6/1/17.**

QUALIFIED CITRUS PRODUCING LAND
CONTINUES TO RECEIVE AG PRODUCTIVITY
VALUE WHEN PEST CONTROL
MANAGEMENT IS REQUIRED

SB 1459 Hinojosa

Adds 23.524

SB 1459 provides for temporary cessation of
agricultural use to manage the spread of certain pests.
Qualified agricultural land does not end because the
land ceases to be devoted principally to ag use to the
degree of intensity generally accepted if: the land is in
a pest management zone and appraised primarily for
producing citrus; the owner has an agreement to
destroy, remove or treat all citrus trees located on the
land and infested with pests; and the agreement, per
Agriculture Code Section 80.003, is with the Texas
Citrus Pest and Disease Management Corporation, the
Agriculture Commissioner or the U. S. Department of
Agriculture. The temporary cessation is for five years.
The owner is required to notify the chief appraiser in
writing within 30 days of the agreement about the
temporary cessation and include a copy of the
agreement. A change of use occurs if the owner does
not fully comply with the terms of the agreement.

Effective: 5/19/17, on Governor's signature.

**Status: NEW LAW. Governor signed SB 1459
5/19/17.**

MEMBER IN MILITARY SERVICE DOES NOT
LOSE AG VALUE DUE TO CESSATION OF AG
ACTIVITY DURING SERVICE OUT-OF-STATE

HB 777 Ashby

Adds 23.253

HB 777 addresses a member of the armed services
who is deployed out-of-state and who has land that
qualifies for productivity valuation. The service
member notifies the chief appraiser within 30 days of
receiving the notice of deployment that the member
intends to resume ag production to the requisite
degree of intensity within 180 days of returning to
Texas. The land's productivity value may not be
removed due to cessation of agricultural activity.

Effective: 5/23/17, on Governor's signature.

**Status: NEW LAW. Governor signed HB 777
5/23/17.**

STATE LEADERS REMOVED FROM APPROVAL OF COMPTROLLER'S AG AND TIMBER MANUALS

SB 594 Creighton

Amends 23.52 and 23.73

SB 594 removes the five-member state committee of Governor, Comptroller, Attorney General, Agriculture Commissioner and General Land Office Commissioner from approval of the Comptroller's rules on the manuals for the appraisal of open-space land (ag) and of timber land. The Comptroller, with the review and counsel of the Department of Agriculture for the ag manual and Texas A&M Forest Service for the timber manual, approves the rules for these two manuals.

Effective: 1/1/2018.

Status: NEW LAW. Governor signed SB 594 5/18/17.

CERTAIN ADVISORY COMMITTEES FOR STATE AGENCIES ABOLISHED, INCLUDING AG AND TIMBER MANUAL ADOPTION

SB 526 Birdwell

Amends 23.52 and 23.73

SB 526 adds the same changes found in SB 594 (above), along with other changes to various codes. *SB 526, however, has a different effective date than SB 594.* The Governor signed SB 594, which is new law effective January 1, 2018.

Effective: 9/1/2017.

Status: NEW LAW. Governor signed SB 526 6/9/17.

Appraisal Review Board (ARB)

PROPERTY OWNER HEARD BY TELEPHONE CONFERENCE CALL AT ARB HEARING

HB 455 Metcalf

Amends 41.45

HB 455 authorizes a property owner to appear by telephone conference call to offer argument at the ARB hearing, if the owner gives advance notice at least 10 days before the ARB hearing or includes in the filed protest. Or, the ARB proposes that the hearing be conducted by telephone conference call and the property owner agrees. Evidence must be

submitted in advance by affidavit. The ARB shall provide a telephone number for the owner to call to participate in the hearing and hold the hearing in a location equipped with telephone equipment that allows each ARB member and other parties to hear the owner's argument. The owner may still appear in person. If the owner doesn't show, the evidence in the affidavit is to be submitted as appearance.

Effective: 9/1/2017.

Status: NEW LAW. Governor signed HB 455 5/23/17.

PROPERTY OWNER SENDS LESSEE COPY OF NOTICE OF APPRAISED VALUE

HB 804 Dale

Amends 41.413

HB 804 requires an owner to send the person leasing the owner's property under contract a copy of the notice of appraised value. This provision does not apply if the property owner and the lessee have agreed in the contract to waive the requirements or that the lessee will not protest the property's appraised value. The lessee may request that the chief appraiser send a copy of the notice to the lessee. The chief appraiser sends the notice to the lessee within five days after the notice is sent to the property owner, if the lessee demonstrates a contractual obligation to reimburse the owner for taxes on the property. The chief appraiser, however, is not required to send the notice to the lessee if the appraisal district posts the appraised value of the property on its website within five days after notices are mailed. Failure of the owner to send a copy of the notice to the lessee does not affect the time within which the lessee may protest the appraised value. A person leasing property under a described contract may designate another person to act as the agent of the lessee for property tax purposes. The lessee must make the designation by filing an agent appointment form provided in Section 1.111.

Effective: 9/1/2017.

Status: NEW LAW. Governor signed HB 804 5/1/17.

PROPERTY OWNER MAY ELECT WHEN TO PRESENT EVIDENCE AT THE ARB HEARING

SB 1767 Buckingham

Amends 25.25, 41.66

SB 1767 adds that the property owner may elect to present the owner's evidence and argument at the ARB hearing before, after or between cases presented by the chief appraiser and each taxing unit (for a 25.25 hearing). The ARB's hearing procedures should state that the property owner may elect to present the owner's case at the ARB hearing before or after the CAD presents the CAD's case.

Effective: 1/1/2018.

Status: NEW LAW. Governor signed SB 1767 6/15/17.

COMPTROLLER BY RULE SETS OUT FORM AND MANNER FOR PROPERTY OWNER'S EVIDENCE FOR ARB HEARING RECORD AND FOR AUDIOVISUAL EQUIPMENT; COMPTROLLER HANDLES SELECTION AND REMOVAL OF ARBITRATORS

SB 1286 Bettencourt

Amends 41.45, 41A.061, 41A.07

SB 1286 adds that the Comptroller by rule shall set out the manner and form, including security requirements, for a person to provide a copy of written evidence or other material for the ARB to retain as part of the ARB's hearing record and to include specifications for the audiovisual equipment provided by the CAD for use by the property owner or owner's agent. For the Comptroller's registry of arbitrators, the Comptroller shall select the arbitrator, rather than the property owner and CAD. To be appointed an arbitrator for a particular case, the arbitrator must be a resident of the county where the property is located or in this state if no one is available in the county. A person may not serve as an arbitrator in that county if, during the preceding five years, the person was a paid tax agent, CAD officer, CAD employee or ARB member in the CAD in which the property is located. The Comptroller shall remove from the registry a person who shows repeated bias or misconduct while acting as an arbitrator. See also *Appraisal District Litigation*.

Effective: 9/1/2017, with the Comptroller rules adopted by January 1, 2018.

Status: NEW LAW. Governor signed SB 1286 6/12/17.

Appraisal District Litigation

PROPERTY VALUE INCREASED FOR APPEALING THROUGH ARBITRATION

SB 731 Bettencourt

Amends 41A.01, 41A.03, 41A.06

SB 731 increases the value of a property that an owner may appeal the ARB decision to binding arbitration from \$3 million to \$5 million or less. A fee of \$1,550 is added for a property that is not an owner's residence homestead and the appraised value of the property is more than \$3 million but not more than \$5 million. SB 731 also changes the term "salesperson" to "sales agent" under Chapter 1101, Occupations Code, as someone who may serve as an arbitrator.

Effective: 9/1/2017.

Status: NEW LAW. Governor signed SB 731 6/9/17.

COMPTROLLER BY RULE SETS OUT FORM AND MANNER FOR PROPERTY OWNER'S EVIDENCE FOR ARB HEARING RECORD AND FOR AUDIOVISUAL EQUIPMENT; COMPTROLLER HANDLES SELECTION AND REMOVAL OF ARBITRATORS

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Effective: 9/1/2017, with the Comptroller rules adopted by January 1, 2018.

Status: NEW LAW. Governor signed SB 1286 6/12/17.

Assessment & Truth-in-Taxation

VOTERS MAY APPROVE NEW CITY OR REGIONAL LOCAL GOVERNMENT WITH INITIAL TAX RATE

SB 1015 Creighton

Adds Local Government Code 43.0755

SB 1015 provides for establishing a new municipality as a Type A, B or C municipality or another regional form of government by voter election, with an initial tax rate stated in the ballot proposition. The initial tax rate is not considered for calculating an effective or rollback tax rate for Section 26.04.

Effective: 6/9/2017, on Governor's signature.

Status: NEW LAW. Governor signed SB 1015 6/9/17.

SPECIAL DISTRICTS REQUIRED TO GIVE ACCESS TO FINANCES AND TAX RATE INFORMATION

SB 625 Kolkhurst

Adds Government Code 403.0241 and 403.0242; adds Local Government Code Chapter 203, Subchapter D

SB 625 requires the Comptroller to create a website, known as *Special Purpose District Public Information Database*, to include all active special purpose districts that impose an ad valorem tax or sales and use tax or charge a fee, among other requirements. A special purpose district is *not* a county, municipality, school district, junior college district or statewide district. Each district's information includes its name, the name of each board member, general manager or executive director, contact information for main office (including its addresses and telephone number), the contact address and information of a utility operator or tax assessor-collector if contracted with the district, the district's website, reports under Local Government Code Section 140.008, total annual revenue, unencumbered fund balance at end of last fiscal year, rate of any sales and use tax and table of property tax rates as required

by Tax Code Section 26.16. The Comptroller updates the database annually, with no fee to access database. The Comptroller sets how to transmit the information and shall maintain a list of special districts that do not comply. Penalties for noncompliance begin with a civil penalty of \$1,000 on the special purpose district. The Attorney General may sue to collect the civil penalty.

Effective: 9/1/2017, with the Comptroller sending written notice to special districts by January 1, 2018 and with the information posted to the Comptroller's website September 1, 2018.

Status: NEW LAW. Governor signed SB 625 6/9/17.

Tax Collections

INSTALLMENT PAYMENT OF CURRENT TAXES REVISED FOR PROPERTY IN DISASTER AREA

SB 1047 Creighton

Amends 31.032

SB 1047 revises the language for four equal installment payments by certain property owners in a disaster area. It adds to current law that the first installment may be paid in the first month of delinquency, with the owner providing a notice that the payment is the first installment.

Effective: 1/1/2018.

Status: NEW LAW. Governor signed SB 1047 6/12/17.

PROPERTY OWNER WHO PAID TAX GETS REFUND FOR CORRECTED TAX RECORD

HB 2989 D. Bonnen

Amends 26.15

HB 2989 clarifies that the property owner who paid the tax on a property receives any tax refund due to a correction decreasing tax liability on the property.

Effective: 5/26/17, on Governor's signature.

Status: NEW LAW. Governor signed HB 2989 5/26/17.

Delinquent Tax Litigation

RIGHT TO DEFER PROPERTY TAXES
EXTENDED TO DISABLED VETERANS

HB 217 Canales

Amends 33.06

HB 217 authorizes those individuals who qualify for the disabled veteran's exemption in Tax Code Section 11.22 may defer or abate the collection of delinquent taxes. Those individuals qualify for the disabled veteran's partial exemption depending on percentage of disability in Tax Code Section 11.22. It does not matter that the person may have applied his or her 11.22 exemption to a property other than the homestead. This right to defer also is granted to the surviving spouse or surviving child of a deceased disabled veteran, pursuant to Section 11.22.

Effective: 9/1/2017.

Status: NEW LAW. Governor signed HB 217 5/18/17.

TAX DEFERRAL INTEREST RATE CHANGED;
PARTIAL EXEMPTION APPLIED TO DONATED
DISABLED VETERAN'S HOMESTEAD

HB 150, HJR 21 Bell

Amends 11.132 and 33.06; amends Tex. Const. Art. 8, Sec. 1(b)(1)

HB 150 lowers the interest rate on tax deferrals from the present 8% to 5% for those deferrals filed by the elderly, disabled and now disabled veterans (see HB 217 above). The change in interest rate applies only to interest that accrues on or after the bill's effective date, regardless of whether the deferral period began before that date.

HB 150 and the constitutional amendment amend the partial homestead exemption for disabled veterans to include housing donated to a disabled veteran for less than 50% of the estimate of market value by the charitable organization that donates the housing. Presently, this exemption is available only to those homes donated at no cost. See also *Exemptions*.

Effective: 1/1/2018, if voters approve constitutional amendment November 7, 2017.

Status: Subject to voter approval. Governor signed HB 150 6/15/17. HJR 21 will be on November 7 ballot.

ALTERNATIVE DATES AND TIME OF REAL
PROPERTY TAX SALE REVISED

HB 1128 Wray

Amends 34.01 and 34.07; amends Civil Practice and Remedies Code 34.041; amends Property Code 51.002

HB 1128 removes "first Tuesday of the month" on the date of sale under Section 34.07. The bill states that public sales of real property must take place between 10 a.m. and 4 p.m. on the first Tuesday of a month; or, if that date is January 1 or July 4, then on the first Wednesday of the month. A sale of real property conducted by means of a public auction using online bidding and sale may begin at any time and must conclude at 4 p.m. on the first Tuesday of a month or, if that date is January 1 or July 4, on the first Wednesday of the month.

Effective: 9/1/2017.

Status: NEW LAW. Governor signed HB 1128 5/26/17.

GOVERNOR VETOED BILL ON CERTAIN
MORTGAGE SERVICERS REQUIRED TO ISSUE
ACCOUNTING STATEMENTS TO OWNERS
WITH REAL PROPERTY LIENS

SB 830 Rodriquez

Adds Finance Code Chapter 397

Veto

SB 830 applies to a loan secured by a first or subordinate lien on real property, excluding a federally related mortgage loan, a loan by a regulated credit union, a loan primarily for business or temporary financing purposes or a loan that is directly financed and serviced by a relative within the second degree of blood or marriage. A mortgage servicer for a loan (other than those excluded) shall provide the borrower an annual January statement about the amount of each payment received during the preceding year, how each payment was applied and the outstanding balance. A borrower who does not receive the statement may request the statement by sending a request by certified mail to the mortgage servicer. If the mortgage servicer fails to provide the statement on or before the 25th day after the request, the borrower is not liable for any payment, fees or other charges not made during that year's statement, except for any principal and interest that may be due for the preceding calendar year. If the mortgagee is not the mortgage servicer, the mortgage servicer is liable for paying the mortgagee any amount for which

the borrower is no longer liable and any fee or other charge assessed against the borrower by the mortgagee as a result of failure to comply with this provision. This provision does not apply if, before the borrower requests an annual statement, the mortgage services sends a default notice by certified mail to the borrower at the last known address.

Status: VETOED. Governor vetoed SB 830 6/15/17.

APPOINTED MASTER RECEIVES FEES AS COSTS OF DELINQUENT TAX LAWSUITS

HB 3389 Schofield

Amends 33.73

HB 3389 provides that the district clerk shall collect fees taxed as costs of suit and award the fees to the master in each delinquent tax suit for which a master is appointed, regardless of the disposition of the suit. The fees may not be collected or awarded in a suit dismissed by the master unless the master held at least one hearing on the suit or prepared for the suit for at least a number of hours equivalent to the time typically required to conduct a hearing.

Effective: 9/1/2017.

Status: NEW LAW. Governor signed HB 3389 6/1/17.

County Tax Assessor-Collectors

ADDITIONAL PROCEDURE ADDED FOR DISHONORED CHECK

SB 492 West

Amends Local Government Code 130.006

SB 492 adds to the list of procedures that the county tax assessor-collector may establish to include the referral of a dishonored check or credit card invoice to a private collection agency. The private collection agency may charge a fee equal to the amount authorized for a returned check under Local Government Code Section 118.011, which is currently not less than \$15 nor more than \$30.

Effective: 5/4/2017, on Governor's signature

Status: NEW LAW. SB 492 signed by Governor 5/4/17.

CONTINUING EDUCATION HOURS SET FOR NEW COUNTY TAX ASSESSOR-COLLECTOR

SB 929 Hughes

Amends 6.231

SB 929 requires a county tax assessor-collector who assesses or collects property taxes to successfully complete at least 40 hours of continuing education courses on property tax assessment and collection, including Truth-in-Taxation. The county tax assessor-collector has one year to complete the required course. The course applies to a county tax assessor-collector whose first term begins on or after May 18, 2017.

Effective: 5/18/17, on Governor's signature.

Status: NEW LAW. Governor signed SB 929 5/18/17.

School Finance

ADDITIONAL SCHOOL FUNDS GRANTED TO ISD THAT ANNEXES AN UNACCEPTABLE ISD; WEALTH OF SCHOOL DISTRICT FORMULA CHANGED

SB 1353 Taylor

Amends Education Code 13.054, 41.002

SB 1353 adds additional state aid for costs of facility renovation, repair and replacement for a school district that annexes an unacceptable school district. SB 1353 provides for the additional state aid for five years, beginning with the school year in which the annexation occurs. The Education Commissioner determines that the district would result in greater payments, in addition to other funding. The formula for additional funds shall be the ratio of the number of students in annexed territory by the total number of students in the enlarged district times the lesser of the enlarged district's local fund assignment under Education Code 42.252 or the enlarged district's total cost of Tier 1. A similar calculation will be made for the district's facilities aid if applicable. The Education Commissioner is required to implement only if the Legislature appropriates money specifically for this purpose. If the Legislature does not, then the Commissioner may, but is not required to, implement using other available funds.

The formula in Education Code Section 41.002 applied to the district's adopted M&O rate for the current school year changes from 1.5 to 1.17. The Education Commissioner may authorize additional funds to the school district provided by another provision, if the Commissioner determines that provision results in greater payments to the district. Effective: 6/1/2017, on Governor's signature.
Status: NEW LAW. Governor signed 6/1/17.

Special & Miscellaneous

ABATEMENTS/SCHOOL TAX LIMITATIONS FOR WIND FARMS PROHIBITED NEAR MILITARY AIR STATIONS

SB 277 Campbell

Adds 312.001; amends 313.024

SB 277 prohibits the granting of an abatement or a school tax limitation to a wind turbine located within 25 nautical miles of an airbase. The prohibition does not apply if the abatement agreement was entered into on or after September 1, 2017 for a wind-powered energy device. The prohibition does not apply if the wind-powered energy device is installed or constructed pursuant to a memorandum of understanding or other agreement between the owner of the device and the U. S. Department of Defense. It also does not apply if the wind-powered energy device is installed or constructed as part of an expansion or repowering of an existing project. Effective: 9/1/2017

Status: NEW LAW. Governor signed SB 277 6/8/17.

HOMEOWNER RECEIVES ABATEMENT FROM DALLAS COUNTY UTILITY AND RECLAMATION DISTRICT

HB 1186 Anderson

Adds to Chapter 628, Section 4B, Acts of 68th Texas Legislature

HB 1186 provides that the tax assessor-collector for the Dallas County Utility and Reclamation District may file an exemption application with the appraisal district on behalf of a homeowner granted a tax abatement on a portion of the home's value. Effective: 6/1/2017, on Governor's signature.

Status: NEW LAW. Governor signed HB 1186 6/1/17.

STATE SENATOR AND/OR STATE REPRESENTATIVE SERVES AS EX-OFFICIO TIF DIRECTOR

SB 1465 Taylor

Adds 311.0092

SB 1465 requires the board of directors of a reinvestment zone to send a written notice by certified mail to each Senator and to each Representative who is an ex officio member on the board about the membership. A newly elected Senator or Representative receives certified notice within 90 days of being elected about the membership on the TIF board. A Senator or Representative may elect not to serve or designate another individual in the member's place by sending written notice by certified mail to the board. A Senator and/or Representative who elects not to serve or designate another individual in their place is not counted as a member of the board for voting or quorum purposes.

Effective: 9/1/2017.

Status: NEW LAW. Governor signed SB 1465 6/9/17.

Open Meetings, Chapter 551

MEMBER MARKED ABSENT FROM VIDEOCONFERENCE CALL IF CALL DISCONNECTED OR LOST

HB 3047 Dale

Amends Government Code 551.127

HB 3047 clarifies that a member of a governmental body who participates in a meeting by videoconference call shall be considered absent from any portion of the meeting during which audio or video communication with the member is lost or disconnected. The governmental body may only continue the meeting if a quorum remains present or continues to participate.

Effective: 9/1/2017.

Status: NEW LAW. Governor signed HB 3047 6/15/17.

Open Records, Chapter 552

COMPUTER SECURITY INFORMATION IS CONFIDENTIAL

HB 1861 Elkins

Amends Government Code 552.139

HB 1861 marks as confidential any information collected, assembled or maintained by or for a governmental body to prevent, detect or investigate a computer security incident, including an information security log. This does not affect the notification requirements related to a breach of security as defined in Business & Commerce Code Section 521.053. A state agency redacts confidential information from a contract posted on the web. The redacted information does not exempt it from requirements for public information requests of Government Code 552.021 or 552.221.

Effective: 6/15/2017, on Governor's signature.

Status: NEW LAW. Governor signed HB 1861 6/15/17.

GOVERNOR VETOED BILL ON COURT COSTS AND ATTORNEY'S FEES FOR LAWSUIT ON OPEN RECORDS

HB 2783 Smithee

Amends Government Code 552.323

Veto

HB 2783 provides that the court may assess costs of litigation and reasonable attorney fees incurred by a plaintiff to whom a governmental body voluntarily releases requested information after filing an answer to a lawsuit filed for an action brought under Government Code Section 552.321 or 552.3215. Current law only addresses court costs and attorney's fees to the plaintiff who substantially prevails.

Status: VETOED. Governor vetoed HB 2783 6/15/17.

OPEN RECORDS PROCEDURES ADDRESS MONTHLY AND YEARLY LIMITS ON A REQUESTOR WHO DOES NOT PAY OR WITHDRAWS REQUESTS

HB 3107 Ashby

Amends 552.221, 552.261, 552.275, 552.3215

HB 3107 adds that an open records request is considered withdrawn if the requestor fails to inspect or duplicate the public information in the

governmental body's office on or before the 60th day after the information is available or fails to pay the postage and accrued open record charges on or before the 60th day. All requests received in one calendar day from an individual may be treated as a single request for calculating costs. A governmental body may not combine multiple requests from separate individuals who submit requests on behalf of an organization. A governmental body may establish reasonable monthly and yearly limits on time that personnel are required to spend producing public information. All county officials who have designated the same officer for public information may calculate the time that personnel are required to spend collectively for purposes of the monthly or yearly limit. A monthly time limit may not be less than 15 hours for a requestor for a one-month period. If a requestor submitted an unpaid request that was not withdrawn, the governmental body is not required to compile a new request by that requestor until the date the requestor pays each unpaid statement with a previous request or withdraws the previous request. The news media is exempted for these requirements, including an individual who supervises or assist in gathering new or information or to an individual who is or was a journalist, scholar or researcher employed by higher education institution. HB 3107 exempts the creation or maintenance of an abstract plant as described by Insurance Code Section 2501.004. A complainant may file with the Attorney General on or after the 90th day that the complainant filed with the district or county attorney who has not brought action on the complaint.

Effective: 9/1/2017.

Status: NEW LAW. Governor signed HB 3107 6/15/17.

GOVERNMENTAL BODY PROVIDES PUBLIC RECORDS ON PUBLIC WEBSITE

SB 79 Nelson

Amends Government Code 552.221

SB 79 changes the term "political subdivision" to "governmental body" for the requirements of providing requested public records on a website maintained by the governmental body.

Effective: 9/1/2017.

Status: NEW LAW. Governor signed SB 79 6/9/17.

Other Codes and Statutes

SETTLEMENT AGREEMENTS WITH
GOVERNMENT CANNOT RESTRICT MEDIA
ACCESS

HB 53 Romero

Adds Civil Practice and Remedies Code Chapter 116

HB 53 prohibits a governmental unit in a settlement agreement of \$30,000 or greater to include a condition of the settlement that the parties agree not to disclose any fact, allegation, evidence or other matter to any other person, including the media. A settlement agreement provision entered into in violation of this is void and unenforceable. This does not affect information that is privileged or confidential under other law. The money used to pay the settlement is from taxes collected by the governmental unit, revenue received from the state or insurance proceeds. Effective: 9/1/2017.

Status: NEW LAW. Governor signed HB 53 6/12/17.

CELL PHONES RESTRICTED WHEN DRIVING

HB 62 Craddick

Adds Transportation Code 545.4251 and amends 521.161, 545.424, 545.425, 708.052

HB 62, the Alex Brown Memorial Act, restricts the use of cell phones while driving. The driver commits a misdemeanor offense for using a hand-held device to read, write or send a text-based message while operating a motor vehicle that is not stopped. A violation is a fine of at least \$25 but not more than \$99, unless on the trial for the offense it is shown that the defendant was previously convicted at least one time, then the fine is at least \$100 and not more than \$200. If the offense causes the death or serious bodily injury of another person, the offense is punishable as a Class A misdemeanor, which is punishable of a fine up to \$4,000, confinement in jail for a term of up to one year, or both. A peace officer must view or establish other evidence of a violation. The driver may use the device for navigation and for playing music. TxDOT will post signs on interstate highways. Effective: 9/1/2017.

Status: NEW LAW. Governor signed HB 62 6/6/17.

GOVERNING BODY ADOPTS POLICY ON
HEDGING IN INVESTMENT OF PUBLIC FUNDS

HB 1003 Capriglione

Adds Government Code 2256.0206 and amends Government Code 2256.004, 2256.009, 2256.011, 2256.014, 2256.015, 2256.016; amends Tax Code 171.901

HB 1003 allows an entity to invest in prime money market funds and interest-bearing banking deposits that the FDIC guarantees or insures and gives some state agencies and large municipalities the ability to utilize hedging transactions, such as some municipal utilities. An eligible entity may pledge as security for and payment of an agreement to a hedging contract any revenue that the law authorizes an entity to pledge for payment of any other obligation. Exclusion from the depreciation and tax-exempt use provisions do not apply to an institution of higher education or university system.

Effective: 6/14/2017, on Governor's signature.

Status: NEW LAW. Governor signed HB 1003 6/14/17.

INVESTMENT POLICY PRESENTATION
REVISED TO BE ANY BUSINESS
ORGANIZATION

HB 1701 Parker

Amends Government Code 2256.005

HB 1701 revises the presentation of the investment policy to be any business organization offering to engage in an investment transaction that has accepted authority granted by the entity under the contract to exercise investment discretion in investing the entity's funds.

Effective: 9/1/2017.

Status: NEW LAW. Governor signed HB 1701 5/26/17.

LINE ITEM FOR PUBLIC NOTICE
EXPENDITURES REQUIRED IN PROPOSED
BUDGET

SB 622 Burton

Adds Local Government Code 140.0045

SB 622 requires that the proposed budget of a political subdivision must include a line item showing expenditures for public notices required by law to be published in a newspaper or a clear comparison between those expenditures in the proposed budget

and actual expenditures in the preceding year. This provision does not apply to a county with a population of less than 50,000 or to a political subdivision located in such a county.

Effective: 6/9/2017, on Governor's signature.

Status: NEW LAW. Governor signed SB 622 6/9/17.

CERTAIN COUNTIES FOLLOW SPECIFIC FINANCIAL ACCOUNTING AND REPORTING REQUIREMENTS

HB 1930 Frullo

Repeals Government Code Chapter 2266; amends Local Government Code 112.002

HB 1930 addresses a county with a county auditor and with a population of 190,000 or more. It requires that a regulation adopted may not be inconsistent with generally accepted accounting principles as established by the Governmental Accounting Standards Board.

Effective: 6/15/2017, on Governor's signature.

Status: NEW LAW. Governor signed HB 1930 6/15/17.

TEXAS RAILROAD COMMISSION CONTINUED

HB 1818 Gonzales

Amends Natural Resources Code 81.01001 and adds 81.065, 81.066, 81.071

HB 1818 continues the Texas Railroad Commission to 2029.

Effective: 9/1/2017.

Status: NEW LAW. Governor signed HB 1818 5/22/17.

CODE REVISIONS AND OTHER NONSUBSTANTIVE CHANGES CLEAN UP STATUTES

SB 1488 West

Amends various Codes

SB 1488 cleans up non-substantive additions to and corrections in enacted Codes and conforms codifications enacted by the 84th Legislature to other Acts of that Legislature

Effective: 9/1/2017.

Status: NEW LAW. Governor signed 6/1/17.

VOTERS WILL DECIDE LOWERING HOME EQUITY LOAN EXPENSES AND REMOVING LIMITATIONS

SJR 60 Hancock

Amends Tex. Const. Art. 16, Sec. 50

SJR 60 would change home equity lending provisions. The constitutional amendment includes capping fees at 3% and providing for refinancing only as another home equity loan or a reverse mortgage. SJR 60 also would repeal the current provision that prohibits home equity loans from being secured by homesteads designated for agricultural use, except for homesteads used for milk production.

Effective: 1/1/2018, if voters approve constitutional amendment November 7, 2017.

Status: Subject to voter approval. SJR will be on November 7 ballot.