



Texas Property Tax Law Changes 2013

Property Tax Assistance • Aug. 2013

Property Tax Bills: 83rd Texas Legislature, Regular

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.

*This session the Legislature enacted **SB 1093**, which amends numerous codes, including code sections contained in this publication, to codify laws without substantive change, appropriately renumber or reletter duplicate official citations, correct enacted codes to conform the codes to the source law from which they were derived, and revise codes or parts of codes enacted during the preceding legislative session. Law changes enacted by **SB 1093** are not included in this publication.*

*The Texas Legislative Council periodically conducts revision of state law to codify statute. The Legislature enacted **SB 1026** as part of an ongoing project of systematically codifying local laws concerning special districts. These law changes are not included in this publication.*

*Governor Rick Perry vetoed two property tax bills: **SB 1606** and **HB 3063**.*

***SB 1606** would have amended Tax Code Section 32.01(b) to provide that a tax lien would attach to an owner's personal property owned on Jan. 1 or subsequently acquired, "irrespective of whether the personal property is located within the boundaries of the taxing unit in whose favor the lien attaches." **HB 3063** would have amended Local Government Code Section 379B.0091 to provide that specified areas inside the boundaries of a defense base development authority established under Local Government Code Chapter 379B automatically qualify as an enterprise zone as provided by Government Code Section 2303.101. The bill would have amended Local Government Code Section 379B.011 to provide that a commercial aircraft to be used as an instrumentality of commerce that is under construction inside a defense base development authority and tangible personal property to be attached to such a commercial aircraft is presumed to be in interstate, international, or foreign commerce and not located in this state for longer than a temporary period for purposes of Tax Code Sections 11.01 and 21.02. It is important to note that although this bill was vetoed, the identical amendments to Local Government Code Section 379B.011 were passed in **HB 1348**.*

The following acronyms are used in this document:

- ARB** appraisal review board
- CAD** county appraisal district
- DIR** Department of Information Resources
- DPS** Texas Department of Public Safety
- HB** House Bill
- HJR** House Joint Resolution
- LBB** Legislative Budget Board
- PRB** State Pension Review Board
- SB** Senate Bill
- SJR** Senate Joint Resolution
- SOAH** State Office of Administrative Hearings
- 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
- TEA** Texas Education Agency
- TJJJ** Texas Juvenile Justice Department
- TRZ** transportation reinvestment zone
- TSBPA** Texas State Board of Public Accountancy

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.

For more information, visit our website at www.window.state.tx.us/taxinfo/proptax or call us toll-free at 1-800-252-9121 (press 2 to access the menu, then press 1 to contact the Information Services Team). In Austin, call 512-305-9999.



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Chapter 1. General Provisions

Section 1.07

HB 242 amends subsection (d) to add five notices to the list that must be delivered by certified mail:

1. Tax Code Section 23.46(c) notice that special appraisal will be removed and the rollback penalty imposed when land is diverted to nonagricultural use from land qualifying as agricultural under Article VIII, Section 1-d, Texas Constitution;
2. Tax Code Section 23.54(e) notice that a new application is required for open-space land appraisal;
3. Tax Code Section 23.541(c) notice of penalty for late filing of an open-space land appraisal application;
4. Tax Code Section 23.55(e) notice of a determination of a change of use of open-space land and the imposition of the rollback penalty; and
5. Tax Code Section 23.76(e) notice of a determination of a change of use from timber land and the imposition of the rollback penalty.

Effective Jan. 1, 2014.

Section 1.08

SB 1224 renames this section as “Timeliness of Action By Mail or Common or Contract Carrier.” The bill amends the section to provide that a property owner’s delivery of a required payment, report, application, statement, or other document by a specified due date is timely if it is properly addressed with postage or handling charges prepaid and is sent by common or contract carrier and either bears a receipt mark indicating a date on or earlier than the specified due date and within the specified period or the property owner furnishes proof that it was deposited with the carrier on or before the due date and within the specified period. Previous law provided only for delivery by regular first-class mail.

Effective June 14, 2013, and applies only to a payment, report, application, statement, or other document or paper sent by a property owner on or after the effective date.

Chapter 5. State Administration

Section 5.041

HB 585 adds subsection (b-1) to require that at the conclusion of the ARB training course established by the Comptroller under subsection (a) each member of an ARB in attendance at the course shall complete a statement on a Comptroller prescribed form indicating that the ARB member will comply with the legal requirements related to the conduct of ARB hearings.

The bill amends subsection (e-2) to require that during, rather than as soon as practicable after the beginning of, the second year of an ARB member’s term, the member must successfully complete the continuing education course required under

Section 1.085

HB 241 amends subsection (h) to require publication of a notice of the availability of electronic communication and delivery of electronic communication agreement forms by CADs in counties with populations of more than 200,000 or by CADs in which the chief appraiser has authorized electronic communication and has implemented a system that allows such communication.

Effective Sept. 1, 2013.

Section 1.11

HB 3439 amends subsection (b) to allow a property owner’s designated agent to revoke a property owner’s request that all notices, tax bills, and other communications relating to the owner’s property or taxes be delivered to the owner’s fiduciary. Previous law allowed only the property owner to make this revocation.

Effective Sept. 1, 2013.

Section 1.111

HB 3439 amends subsection (c) to allow a property owner’s designated agent to revoke his or her designation. The bill requires the agent revoking the designation to send notice of the revocation to the property owner at the owner’s last known address.

The bill amends subsection (i) to strike language specifying that if an ARB designates a time and place for appearance before a hearing, an agency authorization is considered to be filed at or before the hearing if a copy of the authorization is filed at the time and place designated by the ARB.

Effective Sept. 1, 2013.

subsection (e-1). At the conclusion of the course, the member is required to complete the compliance statement described by subsection (b-1). The bill prohibits a person from participating in an ARB hearing, voting on an ARB protest determination, or being reappointed to an additional term on the ARB until the person has completed the continuing education course and received the course completion certificate. Reappointed ARB members must comply with all requirements of this subsection in each year the member continues to serve.

The bill amends subsection (f) to add a chief appraiser or another employee of a CAD to the list of individuals or entities that the Comptroller is prohibited from advising on a matter that the



Comptroller knows is the subject of an ARB protest. The bill strikes ARBs from this list. The bill allows the Comptroller to advise an ARB member as authorized by subsection (a)(4) or Tax Code Section 5.103 and to communicate with an ARB chairman or a taxpayer liaison officer concerning complaints regarding an ARB filed under Tax Code Section 6.052.

Effective Jan. 1, 2014.

Section 5.103

HB 585 adds this section, regarding ARB oversight, to require the Comptroller to prepare model hearing procedures for ARBs. The model hearing procedures must address ARB duties, processes, scheduling and postponements, notices, determinations of good cause, rights of parties, prohibitions, evidence, conflicts of interests, administration of applications for ARB members, and other matters. The Comptroller is permitted to customize the model hearing procedures based on

CAD size, the number of protests or similar characteristics. An ARB is required to follow the model hearing procedures when establishing its procedures for hearings.

The Comptroller is required to prescribe the contents of a survey form for public comments and suggestions concerning ARBs. The survey form must permit a person to offer comments and suggestions concerning specified matters or any other matter related to the fairness and efficiency of an ARB. Each property owner must be provided with a copy of the survey form and instructions for its completion and submission at or before a hearing. CADs may provide clerical assistance to the Comptroller related to the survey, which may be submitted electronically. The Comptroller is required to issue an annual report summarizing the survey forms submitted by the property owners but may not disclose the identity of any person who submits a form.

Effective Jan. 1, 2014.

Chapter 6. Local Administration

Section 6.03

SB 359 amends subsection (c) to add junior college districts to the list of taxing units that are allowed to vote for the appointment of members to the CAD board of directors.

The bill amends subsection (e) to require the chief appraiser to send a notice of the number of votes to which the junior college is entitled to specified officials of each junior college district participating in the CAD.

Effective June 14, 2013, and applies only to the selection of CAD directors for terms beginning on or after Jan. 1, 2014.

Section 6.031

SB 359 adds subsection (b-1) to require a CAD board of directors to provide by resolution for the junior college districts that participate in the CAD to collectively participate in the selection of directors in the same manner as the school district that imposes the lowest total dollar amount of property taxes in the CAD. The resolution is required only if the CAD increases the number of members on the board of directors or changes the method or procedure for appointing the members as provided by law. The resolution is not subject to rejection by a resolution by a taxing unit opposing the change.

Effective June 14, 2013, and applies only to the selection of CAD directors for terms beginning on or after Jan. 1, 2014.

Section 6.035

HB 585 adds subsection (a-1) to prohibit an individual from serving on a CAD board of directors if for compensation, the individual appraised property for use in or represented property

owners in a proceeding under the Property Tax Code at any time during the preceding five years.

Effective June 14, 2013, and does not affect the eligibility of an individual serving on an CAD board of directors immediately before the effective date to complete the term to which the member was appointed.

Section 6.05

HB 585 amends subsection (c) to create an exception, as provided by Tax Code Section 6.0501, to the requirement that a chief appraiser is appointed by and serves at the pleasure of the CAD board of directors.

The bill provides that to be eligible to be appointed or serve as chief appraiser, a person must be certified as a registered professional appraiser, possess an MAI professional designation from the Appraisal Institute, or possess an Assessment Administration Specialist (AAS), Certified Assessment Evaluator (CAE) or Residential Evaluation Specialist (RES) professional designation from the International Association of Assessing Officers. If a person is eligible to be appointed or serve by having a professional designation, the person must become certified as a registered professional appraiser not later than the fifth anniversary of the date the person is appointed or begins to serve as chief appraiser. An ineligible chief appraiser may not perform any actions authorized or required of a chief appraiser. Not later than Jan. 1 of each year, a chief appraiser must notify the Comptroller in writing that he or she is either eligible or ineligible to be appointed or serve as chief appraiser.

The bill amends subsection (d) to create exceptions, as provided by Tax Code Section 6.0501, to a chief appraiser's entitlement to compensation as provided by the budget adopted by the



board of directors, and to a chief appraiser's authorization to hire and compensate CAD personnel.

Effective Jan. 1, 2014, and a chief appraiser in a CAD in a county with a population of 100,000 or less on the effective date who is not eligible to be appointed or serve as a chief appraiser under this section but who is registered with TDLR and classified as a Class III appraiser under TDLR rules may continue to serve as the chief appraiser until Jan. 1, 2016.

Section 6.0501

HB 585 adds this section regarding the appointment of an eligible chief appraiser by the Comptroller. If a chief appraiser is ineligible to serve, the bill requires the Comptroller to appoint a new chief appraiser. The new chief appraiser must be a person eligible to be a chief appraiser under Tax Code Section 6.05(c) or a person who has previously been appointed or served as a chief appraiser.

The chief appraiser appointed by the Comptroller serves until the earlier of:

- the first anniversary of the date the Comptroller appoints the chief appraiser; or
- the date the CAD board of directors appoints a chief appraiser under Tax Code Section 6.05(c) or contracts with a CAD or a taxing unit to perform the duties of the appraisal office under Tax Code Section 6.05(b).

The Comptroller is required to determine the compensation of a chief appraiser appointed under this section and the appointed chief appraiser is required to determine the appraisal office budget subject to the approval of the Comptroller. The CAD board of directors is required to amend the budget as necessary to compensate the appointed chief appraiser and fund the appraisal office as determined.

A CAD that does not appoint a chief appraiser or contract with a CAD or a taxing unit to perform the duties of the appraisal office by the first anniversary of the date the Comptroller appoints a chief appraiser must contract with a CAD, taxing unit, or a qualified public or private entity to perform the CAD's legal duties, subject to the Comptroller's approval.

Effective Jan. 1, 2014.

Section 6.052

HB 585 amends subsection (a) to lower the county population threshold above which the CAD board of directors must appoint a taxpayer liaison officer from 125,000 to 120,000. The bill adds to the taxpayer liaison officer's duties the responsibility of receiving and compiling a list of comments and suggestions filed by a chief appraiser, a property owner, or property owner's agent regarding specified matters related to ARBs. The taxpayer liaison officer is required to forward the list of comments and suggestions to the Comptroller in the form and manner prescribed by the Comptroller.

The bill amends subsection (b) to require (rather than authorize) a taxpayer liaison officer to provide to the public certain information and materials. The bill adds the procedure for filing comments and suggestions under subsection (a) or a complaint under Tax Code Section 6.04(g) to the information and materials required to be provided to the public. The bill requires that information concerning the process for submitting comments and suggestions to the Comptroller concerning an ARB be provided at each protest hearing.

The bill amends subsection (c) to require the taxpayer liaison officer to report to the CAD board at each meeting on the status of all comments and suggestions filed with the officer under subsection (a).

The bill amends subsection (e) to add a person who performs legal services for the CAD for compensation to the persons who are not eligible to be the taxpayer liaison officer.

The bill adds subsection (f) to make the taxpayer liaison officer responsible for providing clerical assistance to the local administrative district judge in the selection of ARB members. The taxpayer liaison officer is required to deliver to the local administrative district judge any applications to serve on the ARB that are submitted to the officer and to perform other duties as requested by the judge. The taxpayer liaison officer is prohibited from influencing the process for selecting ARB members.

Effective Jan. 1, 2014.

Section 6.231

SB 546 adds this section, relating to continuing education. The bill adds subsection (a) to require a county assessor-collector to successfully complete 20 hours of continuing education before each anniversary of the date on which he or she takes office. The continuing education must include at least 10 hours of instruction on laws related to the assessment and collection of property taxes if the assessor-collector assesses or collects property taxes.

The bill adds subsection (b) to provide that in addition to the requirement in subsection (a), a county assessor-collector must successfully complete continuing education courses on ethics and on his or her constitutional and statutory duties not later than the 90th day after the date on which he or she first takes office.

The bill adds subsection (c) to provide that the required continuing education courses must be approved by a state agency or an accredited institution of higher education as described.

The bill adds subsection (d) to require a county assessor-collector to file annually a continuing education certificate of completion with the county commissioners court.

The bill adds subsection (e) to authorize a county assessor-collector to carry forward from one 12-month period to the next not more than 10 continuing education hours completed in excess of the required 20 hours.



The bill adds subsection (f) to provide that for purposes of removal of a county assessor-collector under Subchapter B, Chapter 87, Local Government Code, “incompetency” includes the failure to complete the continuing education requirements.

Effective Jan. 1, 2014. A county tax assessor-collector who holds office on Jan. 1, 2014 is required to complete the continuing education required by subsection (a) of Tax Code Section 6.231, as added by this Act, not later than Jan. 1, 2015, and is not required to complete the continuing education course required by subsection (b) of Tax Code Section 6.231, as added by this Act.

Section 6.41

HB 585 amends subsection (d-1) by reducing the threshold at or above which members of an ARB are appointed by the local administrative district judge to counties with a population of 120,000 or more. The bill also requires that all applications submitted to a CAD or to an ARB from persons seeking appointment to an ARB be delivered to the local administrative district judge and allows a CAD to provide the judge with information regarding the applicant’s or an ARB member’s delinquent property tax status.

The bill amends subsection (f) to add clear and convincing evidence of repeated bias or misconduct to the grounds for removal from an ARB.

The bill adds subsection (i) to specify that if certain persons communicate with the local administrative district judge regarding the appointment of ARB members those persons are committing an offense and exempts specified communications from this prohibition. This subsection applies only to CADs in which a local administrative district judge appoints the ARB members.

The bill adds subsection (j) to specify that a chief appraiser or another employee or agent of the CAD commits an offense if that person communicates with a member of the ARB, a member of the CAD board of directors, or, if the CAD is subject to subsection (d-1), the local administrative district judge regarding a ranking, scoring or reporting of the percentage by which the ARB or ARB panel reduces the appraised value of property.

The bill adds subsection (k) to classify offenses under subsection (i) or (j) as a Class A misdemeanor.

Effective Jan. 1, 2014, and applies only to the appointment of ARB members to terms beginning on or after the effective date

and does not affect the term of an ARB member serving on Dec. 31, 2013, if the member was appointed before Jan. 1, 2014, to a term that began before Dec. 31, 2013, and expires Dec. 31, 2014. As soon as practicable on or after the effective date, the local administrative district judge or the judge’s designee in a county described by subsection (d-1) must, in the manner provided by this section, appoint ARB members for the CAD and in making the initial appointments, designate those members who serve terms of one year as necessary to comply with subsection (e).

Section 6.411

HB 585 amends section (c-1) to add communications with an ARB member by a property tax consultant or attorney representing a party to an ARB proceeding to the communications that are permitted under certain circumstances.

Effective June 14, 2013, and applies only to an offense committed on or after the effective date. If any element of the offense was committed before the effective date the offense is considered to be committed before the effective date.

Section 6.412

HB 3438 amends subsection (d) to provide that (among other reasons for ineligibility) a person is ineligible to serve on the ARB of a CAD in a county with a population of more than 100,000 if the person appeared before the ARB for compensation during the two-year period preceding the date the person is appointed (rather than if the person has ever appeared before the ARB for compensation).

Effective Sept. 1, 2013.

HB 326 amends subsection (d) to strike the provision that a person is ineligible to serve on the ARB in a county with a population of more than 100,000 if the individual has served all or part of three previous non-consecutive terms as an ARB member or auxiliary ARB member.

The bill amends subsection (e) to provide that the restriction on serving during a term that begins on the next Jan. 1 following three consecutive terms served entirely or in part applies to ARB members in all counties, rather than applying only to ARB members in counties with populations of less than 100,000.

The bill repeals subsection (f), which made the section applicable to certain auxiliary board members.

Effective June 14, 2013.

Chapter 11. Taxable Property and Exemptions

Section 11.13

HB 2913 amends subsection (j) to add a beneficiary of a trust as one of the types of occupants who may qualify for a residence homestead exemption if the other legal requirements are met. The bill revises the definition of a “trustor” to mean a person who transfers an interest in real or personal (rather than

residential) property to a qualifying trust, whether during the person’s lifetime or at death (rather than by deed or by will), or the person’s spouse. The bill revises the definition of a “qualifying trust” to add an instrument transferring property to the trust, or any other agreement that is binding on the trustee to the list of instruments of which one instrument must provide



that the trustor of the trust or a beneficiary of the trust has the right to use and occupy as the trustor's or beneficiary's principal residence residential property rent free and without charge, except for taxes and other costs and expenses specified in the instrument or court order.

Effective Sept. 1, 2013, and except as otherwise expressly provided by a trust or a will creating a trust, the changes made by this bill apply to a trust existing or created on or after the effective date. For a trust existing on Sept. 1, 2013, that was created before that date, the changes in law made by this bill apply only to an act or omission relating to the trust that occurs on or after Sept. 1, 2013.

Section 11.132

HB 97 (Chapter 122, 83rd Regular Session) adds this section to require a property tax exemption equal to a disabled veteran's disability rating (if the disability rating is less than 100 percent) on the disabled veteran's residence homestead if the homestead was donated to the disabled veteran by a charitable organization at no cost to the disabled veteran.

The bill extends the exemption to the surviving spouse of a disabled veteran who died after qualifying for the exemption if the surviving spouse has not remarried and the property was the homestead of the surviving spouse when the disabled veteran died and remains the residence homestead of the surviving spouse. The exemption for the surviving spouse is the same percentage of the appraised value to which the disabled veteran exemption applied.

The bill provides that a surviving spouse who is qualified for the exemption is entitled to the exemption on a subsequent homestead in the same dollar amount received for the exemption on the former homestead in the last year the surviving spouse received the exemption on that homestead if the surviving spouse has not remarried. The bill requires the chief appraiser of the CAD in which the former exempt homestead was located to provide the surviving spouse a written certificate providing the information necessary to determine the amount of the exemption on the subsequently qualified homestead.

The bill defines "charitable organization," "disability rating," "disabled veteran," "residence homestead," and "surviving spouse" by reference to various sections of the federal Internal Revenue Code and the Tax Code.

Effective Jan. 1, 2014, contingent on voter approval of HJR 24, and applies only to taxes imposed for a tax year that begins on or after the effective date.

SB 163 (Chapter 138, 83rd Regular Session) adds this section to grant a total property tax exemption on the residence homestead of a surviving spouse of a member of the U.S. armed services who is killed in action if the surviving spouse has not remarried since the death of the armed services member.

The bill provides that a surviving spouse who receives this exemption is entitled to receive an exemption on a subsequent homestead of the same dollar amount received for the

exemption on the former homestead in the last year the surviving spouse received the exemption on that homestead if the surviving spouse has not remarried. The bill requires the chief appraiser of the CAD in which the former exempt homestead was located to provide the surviving spouse a written certificate providing the information necessary to determine the amount of the exemption on the subsequently qualified homestead.

The bill defines "residence homestead" and "surviving spouse."

Effective Jan. 1, 2014, contingent on voter approval of HJR 62, and applies only to a tax year beginning on or after Jan. 1, 2014.

Section 11.18

HB 294 amends subsection (p) to apply the exemption authorized under subsection (d)(23) to all property used to provide charitable housing and related services to the homeless in specified instances. Previous law exempted only the property improvements. The bill provides that the exemption applies only to property that is owned by a qualifying charitable organization that has been in existence for 12 years and that is located on or consists of a single campus in a city with a population of more than 750,000 and less than 850,000 or within the extraterritorial jurisdiction of such a city.

The bill adds subsection (p-1) to provide that the exemption authorized by subsection (d)(23) applies to real property regardless of whether the real property is considered to constitute a building within the meaning of this section.

Effective Jan. 1, 2014, and applies only to a tax year that begins on or after the effective date.

Section 11.182

SB 193 amends subsection (g) to require that the audit that a community housing development organization is required to prepare must be delivered to TDHCA and to the chief appraiser of the CAD in which the property is located to receive an exemption under this section on property used for low-income and moderate income housing.

Effective Jan. 1, 2014.

Section 11.1826

SB 193 amends subsection (b) to provide that the audit that an organization owning or controlling the owner of low-income housing is required to prepare must be delivered to TDHCA and to the chief appraiser of the CAD in which the property is located, as provided, for an organization to receive an exemption for constructing or rehabilitating low-income housing pursuant to Tax Code Section 11.1825.

The bill amends subsection (c) to allow the chief appraiser, for good cause shown, to extend the audit delivery deadline (180 days after the end of the fiscal year).

Effective Jan. 1, 2014.



Section 11.251

HB 3121 amends subsections (b), (c), (e), (g) and (k) to conform provisions to subsection (l).

The bill adds subsection (l) to authorize the governing body of a taxing unit to extend by official action the date by which Freeport goods that are aircraft parts must be transported outside the state from not later than 175 days to not later than 730 days after being acquired or imported into this state before losing eligibility for an exemption under this section. The action to extend the number of days applies only in the taxing unit that takes an official action to do so, applies to the tax year in which the extension is adopted if officially adopted before June 1 of that tax year, and applies to each tax year following the adoption.

Effective Jan. 1, 2014, contingent on voter approval of HJR 133, and applies only to a tax year beginning on or after Jan. 1, 2014.

Note: Many taxing units took action to tax this personal property under previous constitutional authority to do so. Legal advice must be obtained to determine the effect of this action on the taxability of aircraft parts and the official action that must be taken to extend the number of days for aircraft parts.

Section 11.271

HB 1712 adds subsection (a) to define “environmental protection agency,” “offshore spill response containment system,” and “rules or regulations adopted by any environmental protection agency of the United States.”

The bill designates the entire previous text of Tax Code Section 11.271 as subsection (b).

The bill adds subsection (c) to entitle a person to an exemption of the personal property the person owns or leases that is used constructed, acquired, stored, or installed solely as part of an offshore spill response containment system, or that is used solely for the development, improvement, storage, deployment, repair, maintenance, or testing of such a system, if the system is stored while not in use in a county bordering the Gulf of Mexico or on a bay or other body of water immediately adjacent to the Gulf of Mexico. This property that is not used for any other purpose is considered to be property used wholly as an integral part of mobile or marine drilling equipment designed for offshore drilling of oil or gas wells.

The bill adds subsection (d) to specify that subsection (c) does not apply to personal property used wholly or partly for the exploration for or production of oil, gas, sulfur or other minerals, including the equipment, piping, casing and other components of an oil or gas well. The offshore capture of fugitive oil, gas, sulfur or other minerals that is entirely incidental to the property’s temporary use as an offshore spill response containment system is not considered to be production of those substances.

The bill adds subsection (e) to specify that subsection (c) does not apply to personal property that was used, constructed,

acquired, stored or installed in this state on or before Jan. 1, 2013.

The bill adds subsection (f) providing that to qualify for an exemption under subsection (c), the person owning or leasing the property must be an entity formed primarily for the purpose of designing, developing, modifying, enhancing, assembling, operating, deploying and maintaining an offshore spill response containment system. A person may not qualify for the exemption by providing services to or for an offshore spill response containment system that the person does not own or lease.

Effective June 14, 2013, and applies only to a tax year that begins on or after the effective date.

Section 11.31

HB 1897 adds subsection (e-1) to require the executive director of TCEQ to issue a determination letter to a person seeking a pollution control property exemption and require TCEQ to take final action on an initial appeal of the pollution control property exemption determination not later than the first anniversary of the date the executive director of TCEQ declares the application to be administratively complete.

Effective Sept. 1, 2013. Not later than Sept. 1, 2014, TCEQ must adopt rules to implement this subsection.

Section 11.311

HB 1897 adds this section to provide a property tax exemption for real and personal property located on or in close proximity to a landfill and used to:

- collect gas generated by the landfill,
- compress and transport the gas,
- process the gas so that it may be delivered into a natural gas pipeline or used as a transportation fuel in methane-powered vehicles or equipment, and
- deliver the gas into a natural gas pipeline or to a methane fueling station.

This landfill methane capture property is considered to be property used as a facility, device, or method for the control of air, water, or land pollution. The exemption applies only to property used as landfill methane capture property on Jan. 1, 2014, and expires on Dec. 31, 2015.

Effective Sept. 1, 2013, and applies only to taxes imposed for a tax year beginning on or after Jan. 1, 2014. The Legislature finds that current unique market forces are a deterrent to landfill methane capture, and the limited exemption in this section will prevent the loss of facilities that help the state in reducing pollution. The Legislature further finds that the addition of this section is not an expression of legislative opinion regarding current rules adopted by TCEQ relating to the qualification of property for an exemption from taxation under Tax Code Section 11.31.



Section 11.315

HB 2712 adds this section to provide a local option for taxing units to adopt a property tax exemption of an energy storage system that is used, constructed, acquired, or installed wholly or partly to meet or exceed 40 C.F.R. Section 50.11 or any other rules or regulations adopted by any local, state or federal environmental protection agency for the prevention, monitoring, control, or reduction of air pollution and that:

- is located in a federal nonattainment area,
- is located in a city with a population of at least 100,000 adjacent to a city with a population of more than two million,
- has a capacity of at least 10 megawatts, and
- is installed on or after Jan. 1, 2014.

After adopting the exemption, the governing body of the taxing unit in the manner provided by law for official action may repeal the exemption.

The bill defines “energy storage system” as a device capable of storing energy to be discharged at a later time, including a chemical, mechanical, or thermal storage device.

Effective Jan. 1, 2014, and applies only to taxes imposed for a tax year that begins on or after the effective date.

Section 11.42

HB 97 amends subsection (c) to add an exemption under Tax Code Section 11.132 (Chapter 122, 83rd Regular Session) to the list of exemptions that are effective as of Jan. 1 of the tax year in which the person qualifies for the exemption and apply to the entire tax year.

Effective Jan. 1, 2014, contingent on voter approval of HJR 24, and applies only to taxes imposed for a tax year that begins on or after the effective date.

SB 163 amends subsection (c) to add an exemption under Tax Code Section 11.132 (Chapter 138, 83rd Regular Session) to the list of exemptions that are effective as of Jan. 1 of the tax year in which the person qualifies for the exemption and apply to the entire tax year.

Effective Jan. 1, 2014, contingent on voter approval of HJR 62.

Section 11.43

HB 1712 amends subsection (c) to add an exemption under Tax Code Section 11.271 (Offshore Drilling Equipment Not in Use) to the list of exemptions that once allowed, need not be claimed in subsequent years.

Effective June 14, 2013.

HB 2712 amends subsection (c) to add an exemption under Tax Code Section 11.315 (Energy Storage System in Nonattainment Area) to the list of exemptions that once allowed, need not be claimed in subsequent years.

Effective Jan. 1, 2014, and applies only to taxes imposed for a tax year that begins on or after the effective date.

SB 163 amends subsection (c) to add an exemption under Tax Code Section 11.132 (Chapter 138, 83rd Regular Session) to the list of exemptions that once allowed, need not be claimed in subsequent years.

Effective Jan. 1, 2014, contingent on voter approval of HJR 62.

HB 97 amends subsection (c) to add an exemption under Tax Code Section 11.132 (Chapter 122, 83rd Regular Session) to the list of exemptions that once allowed, need not be claimed in subsequent years.

Effective Jan. 1, 2014, contingent on voter approval of HJR 24, and applies only to taxes imposed for a tax year that begins on or after the effective date.

HB 1287 amends subsection (j) to create an exception to the requirement that the Comptroller prescribed residence homestead exemption application include a copy of the applicant's driver's license or state-issued personal identification certificate. An applicant who is a resident of a facility that provides services related to health, infirmity or aging, or who is certified for participation in the address confidentiality program administered by the attorney general under Subchapter C, Chapter 56, Code of Criminal Procedure is excepted from the requirement. The bill deletes the requirement that an applicant must provide a copy of the applicant's vehicle registration receipt or, if the applicant does not own a vehicle, an affidavit to that effect and a copy of a utility bill for the subject property in the applicant's name.

Effective Sept. 1, 2013, and applies only to an application for a residence homestead exemption filed with a chief appraiser on or after the effective date.

HB 97 amends subsection (k) to require that a person who qualifies for an exemption under Tax Code Section 11.132 (Chapter 122, 83rd Regular Session) must apply for the exemption no later than the first anniversary of the date the person qualified for the exemption.

Effective Jan. 1, 2014, contingent on voter approval of HJR 24, and applies only to taxes imposed for a tax year that begins on or after the effective date.

HB 1287 amends subsection (n) to provide an exception as provided by subsection (p), to the prohibition on a chief appraiser from allowing a homestead exemption unless the address listed on the driver's license or identification certificate corresponds to the address of the property for which the exemption is claimed if the applicant is required to provide a driver's license or state-issued identification certificate. The bill also deletes the requirement that the address listed on the driver's license or identification certificate correspond to the applicant's vehicle registration receipt or utility bill for the subject property.

The bill adds subsection (p) to allow a chief appraiser to waive the driver's license or state-issued identification certificate requirement if the applicant is an active duty member of the armed services or the spouse of such a person, or if the applicant



is a federal or state judge or the spouse of such a judge, with proper documentation.

Effective Sept. 1, 2013, and applies only to an application for a residence homestead exemption filed with a chief appraiser on or after the effective date.

Section 11.431

HB 97 amends subsection (a) to include an application for a residence homestead exemption under Tax Code Section 11.132 (Chapter 122, 83rd Regular Session) to the applications that a chief appraiser must accept and approve or deny after the filing deadline has passed if it is filed not later than one

year after the delinquency date for the taxes on the residence homestead.

Effective Jan. 1, 2014, contingent on voter approval of HJR 24, and applies only to taxes imposed for a tax year that begins on or after the effective date.

SB 163 amends subsection (a) to include an application for a residence homestead exemption under Tax Code Section 11.132 (Chapter 138, 83rd Regular Session) to the applications that a chief appraiser must accept and approve or deny after the filing deadline has passed if it is filed not later than one year after the delinquency date for the taxes on the residence homestead.

Effective Jan. 1, 2014, contingent on voter approval of HJR 62.

Chapter 21. Taxable Situs

Section 21.09

HB 585 adds this section, regarding allocation application, to require a person claiming an allocation authorized by Tax Code Section 21.03, 21.031, 21.05 or 21.055 to file an allocation application form with the chief appraiser in the CAD in which the property subject to the claimed allocation has taxable situs. A person claiming an allocation must apply for the allocation each year before May 1 and must provide the information required by the form. If the property was not on the appraisal roll in the preceding year, the deadline for filing the allocation application form is extended to the 45th day after the date of receipt of the notice of appraised value. For good cause shown, the chief appraiser shall extend the deadline for filing an allocation application form by written order for a period not to exceed 60 days.

The Comptroller is required to prescribe the contents of the allocation application form and must ensure that the form requires an applicant to provide the information necessary to determine the validity of the allocation claim.

If the chief appraiser learns of any reason indicating that an allocation previously allowed should be canceled, the chief appraiser must investigate and cancel the allocation if he or she determines that the property is not entitled to an allocation. The chief appraiser must deliver written notice of a cancellation not later than the fifth day after the date the cancellation is made. A person may protest the cancellation of an allocation.

The filing of a rendition under Tax Code Chapter 22 is not a condition of qualification for an allocation.

Effective June 14, 2013.

Section 21.10

HB 585 adds this section, regarding late application for allocation, to require a chief appraiser to accept and approve or deny an application for an allocation under Tax Code Section 21.09 after the deadline for filing the application has passed if the application is filed before the date the ARB approves the appraisal records. If the application is approved, the property owner is liable to each taxing unit for a penalty in an amount equal to 10 percent of the difference between the amount of tax imposed by the taxing unit without the allocation and the amount of tax imposed on the property with the allocation.

The chief appraiser is required to make an entry in the appraisal records for the property indicating the property owner's liability for the penalty and shall deliver to the property owner a written notice of imposition of the penalty, explaining the reason for its imposition.

The tax assessor must add the amount of the penalty to the property owner's tax bill, and the tax collector must collect the penalty as provided. The penalty amount constitutes a lien against the property and accrues penalty and interest in the same manner as a delinquent tax.

Effective June 14, 2013.

Chapter 22. Rendition and Other Reports

Section 22.01

HB 585 and **SB 1508** add subsection (c-1) to define "secured party" as having the meaning assigned by Business & Commerce Code Section 9.102, and "security interest" as

having the meaning assigned by Business & Commerce Code Section 1.201.

The bills add subsection (c-2) to allow a secured party, with the consent of the property owner, to render for taxation any property of the property owner in which the secured party has



a security interest on Jan. 1, although the secured party is not required to render the property by subsection (a) or (b). This subsection applies only to property that has a historical cost when new of more than \$50,000.

The bills add subsection (d-1) to require a secured party who renders property under subsection (c-2) to indicate the party's status as a secured party and to state the name and address of the property owner. A secured party is not liable for inaccurate rendition statement information supplied by the property owner or for failure to timely file the rendition statement if the property owner failed to promptly cooperate with the secured

party. A secured party may rely on specified information provided by the property owner.

Effective Jan. 1, 2014, and applies only to the rendition of property for a tax year that begins on or after the effective date.

Section 22.24

HB 585 and **SB 1508** amend subsection (e), which requires renditions or reports to be sworn, to provide that the subsection does not apply to a rendition or report filed by a secured party, as defined by Tax Code Section 22.01, in addition to persons previously specified.

Effective Jan. 1, 2014, and applies only to the rendition of property for a tax year that begins on or after the effective date.

Chapter 23. Appraisal Methods and Procedures

Section 23.013

SB 1256 adds subsection (b-1) to provide that, notwithstanding subsection (b), for residential property in a county with a population of more than 150,000, a sale is not considered to be a comparable sale unless the sale occurred within 36 months of the date as of which the market value of the subject property is to be determined, regardless of the number of comparable properties sold during that period.

Effective Jan. 1, 2014, and applies only to the appraisal of property for a tax year beginning on or after the effective date.

Section 23.02

HB 585 amends the section heading to "Reappraisal of Property Damaged in Disaster Area."

The bill amends subsection (a) to strike the word "natural" from language allowing a taxing unit to require a CAD to reappraise damaged property in that taxing unit that is also in an area declared to be a natural disaster area by the governor at its market value immediately after the disaster

The bill amends subsection (d) to strike the word "natural" from language requiring the proration of taxes on certain property damaged in a natural disaster area.

Effective June 14, 2013, but applies to all properties affected by a disaster as defined by Government Code Section 418.004 that were appraised as of Jan. 1, 2013.

Section 23.121

HB 315 amends subsection (a)(3) to revise the definition of motor vehicle "dealer" to exclude from special inventory provisions motor vehicle dealers:

- who do not sell motor vehicles that are self-propelled vehicles designed to transport persons or property on a public highway,
- whose total annual sales (less specified exclusions) for the preceding tax year are 25 percent or less of the dealer's total revenue from all sources or who did not sell a motor vehicle

to a person other than another dealer during the preceding tax year and the dealer estimates that the dealer's adjusted total annual sales (less specified exclusions) for the current tax year will be 25 percent or less of the dealer's total revenue from all sources during that period,

- who file with the chief appraiser and the collector not later than Aug. 31 of the preceding tax year a Comptroller prescribed declaration stating that the dealer elects not to be treated as a dealer under special inventory provisions, and
- who render the motor vehicle inventory by a filing a rendition in the manner provided by Chapter 22.

The bill adds section (a-1) to require that a dealer who has elected to file a declaration and to render motor vehicle inventory as provided under Chapter 22 must continue to file the declaration and render the dealer's motor vehicle inventory so long as the dealer's total annual sales (less specified exclusions) from motor vehicle inventory is 25 percent or less of total revenue from all sources or the dealer estimates that the total annual sales (less specified exclusions) from motor vehicle inventory for the current year will be under that threshold and the dealer did not sell a motor vehicle in the preceding tax year to another person other than a dealer.

Effective Jan. 1, 2014, and applies only the taxation of motor vehicle inventory for a tax year beginning on or after the effective date.

Section 23.1241

HB 826 amends subsection (a)(1) to specify that the definition of "heavy equipment dealer" does not include a bank, savings bank, savings and loan association, credit union, or other finance company. In addition, for purposes of taxation of a person's inventory of heavy equipment in a tax year, the term does not include a person who renders the person's inventory of heavy equipment for taxation in that year by filing a rendition statement or property report in accordance with Chapter 22.

The bill amends subsection (a)(2) to revise the definition of "dealer's heavy equipment inventory" to mean all items of



heavy equipment that a dealer holds for sale, lease or rent in this state during a 12 month period. The previous definition did not specify that the heavy equipment inventory must be “in this state.”

Effective Jan. 1, 2014, and applies only to taxes imposed for a tax year beginning on or after the effective date. The only purposes of this Act are to exclude certain financial institutions and other finance companies, as well as persons who render their inventory of heavy equipment for taxation in accordance with Chapter 22, from being required to comply with the requirements of Tax Code Sections 23.1241, 23.1242, and 23.1243, as amended or added by Chapter 322 (HB 2476), Acts of the 82nd Legislature, Regular Session, 2011, and to limit the definition of a dealer’s heavy equipment inventory for purposes of those sections of the Tax Code to items of heavy equipment held for sale, lease, or rent in this state. This Act is not intended to affect any litigation pending on the effective date of this Act or filed on or after the effective date of this Act that arises out of the changes in law made by Chapter 322 (HB 2476), Acts of the 82nd Legislature, Regular Session, 2011.

Section 23.129

HB 585 amends subsection (b) to strike the word “natural” from the provision that a chief appraiser or collector may waive a penalty under subsection (a) if a natural disaster made it effectively impossible for the taxpayer to comply with filing requirements.

Effective June 14, 2013.

Section 23.23

HB 585 adds subsection (g) to provide a definition for “disaster recovery program” (a program administered by the General Land Office funded with community development block grant disaster recovery money authorized by the federal Consolidated Security, Disaster Assistance, and federal Continuing Appropriations Act and the Consolidated and Further Continuing Appropriations Act). The bill provides that, notwithstanding subsection (f)(2) and only to the extent necessary to satisfy the requirements of the disaster recovery program, a replacement structure as described is not considered to be a new improvement if to satisfy the requirements of the disaster recovery program it was necessary that the square footage of the replacement structure exceed that of the replaced structure as that structure existed before the casualty or damage occurred; or the exterior of the replacement structure be of higher quality construction and composition than that of the replaced structure.

Effective Jan. 1, 2014, and applies only to the appraisal of a residence homestead for tax purposes for a tax year that begins on or after Jan. 1, 2014.

Section 23.26

HB 2500 adds this section, relating to solar energy property.

The bill adds subsection (a) to provide that in this section, “solar energy property” means a “solar energy device” as defined by Tax Code Section 11.27(c)(1) that is used for a commercial purpose, including a commercial storage device, power conditioning equipment, transfer equipment, and necessary parts for the device and equipment.

The bill adds subsection (b) to provide that this section applies only to solar energy property that is constructed or installed on or after Jan. 1, 2014.

The bill adds subsection (c) to require the chief appraiser to use the cost method of appraisal to determine the market value of solar energy property.

The bill adds subsection (d) to provide that to determine the market value of solar energy property using the cost method of appraisal, the chief appraiser is required to use cost data obtained from generally accepted sources; make any appropriate adjustment for physical, functional, or economic obsolescence and any other justifiable factor; and calculate the depreciated value of the property by using a useful life that does not exceed 10 years.

The bill adds subsection (e) to prohibit a chief appraiser in any tax year from determining the depreciated value to be less than 20 percent of the value computed after making appropriate adjustments under subsection (d).

Effective Jan. 1, 2014, and applies only to a tax year that begins on or after the effective date.

Section 23.55

HB 561 adds subsection (q) to provide that the rollback sanctions for a change of use of land provided by subsection (a) do not apply to land owned by an organization that qualifies as a school under Tax Code Section 11.21(d) if the organization converts the land to a use for which the land is eligible for an exemption under Tax Code Section 11.21, within five years.

Effective June 14, 2013, and applies to a change of use of land that occurs on or after the effective date.



Chapter 25. Local Appraisal

Section 25.025

HB 2267 reenacts and amends subsection (a) as amended by Chapters 348 (HB 3307) and 953 (HB 1046), Acts of the 82nd Legislature, Regular Session, 2011 to provide that provisions relating to confidentiality of certain home address information apply to a medical examiner or person who performs forensic analysis or testing who is employed by this state or one or more political subdivisions of this state.

Effective June 14, 2013, and prevails over another Act of the 83rd Legislature, Regular Session, 2013, relating to nonsubstantive additions to and corrections in enacted codes.

HB 2676 reenacts and amends subsection (a) as amended by Chapters 348 (HB 3307) and 953 (HB 1046), Acts of the 82nd Legislature, Regular Session, 2011 to provide that provisions relating to confidentiality of certain home address information apply to a current or former member of the U.S. armed forces

who has served in an area that the U.S. president by executive order designates for purposes of 26 U.S.C. Section 112 as an area in which U.S. armed forces are or have engaged in combat.

Effective June 14, 2013, and prevails over another Act of the 83rd Legislature, Regular Session, 2013, relating to nonsubstantive additions to and corrections in enacted codes.

SB 1896 amends subsection (a-1) to modify the definition of “state judge” for purposes of confidentiality of certain home address information to include a judge, former judge, or retired judge of a statutory probate court or a constitutional county court; associate judge, retired associate judge, or former associate judge appointed under Government Code Chapter 54A; master, magistrate, referee, hearing officer, or associate judge appointed under Government Code Chapter 54; and a municipal court judge.

Effective May 25, 2013.

Chapter 26. Assessment

Section 26.012

HB 2712 amends this section to modify the definition of “current total value” to deduct from its calculation the taxable value of property exempted for the current tax year for the first time under Tax Code Section 11.315.

Effective Jan. 1, 2014, and applies only to taxes imposed for a tax year that begins on or after the effective date.

Section 26.10

HB 97 amends subsection (b) to provide that if the appraisal roll shows that a residence homestead exemption under Tax Code Section 11.132 (Chapter 122, 83rd Regular Session) applicable to a property on Jan. 1 of a year terminated during the year and the owner of the property qualifies a different property for that residence homestead exemption during the same year, the tax due against the former residence homestead is prorated as specified.

Effective Jan. 1, 2014, contingent on voter approval of HJR 24, and applies only to taxes imposed for a tax year that begins on or after the effective date.

SB 163 amends subsection (b) to provide that if the appraisal roll shows that a residence homestead exemption under Tax Code Section 11.132 (Chapter 138, 83rd Regular Session) applicable to a property on Jan. 1 of a year terminated during the year and the owner of the property qualifies a different property for that residence homestead exemption during the same year, the tax due against the former residence homestead is prorated as specified.

Effective Jan. 1, 2014, contingent on voter approval of HJR 62.

HB 97 and **SB 163** strike the current language that the calculation of tax due on a former residence homestead after specified homestead exemptions terminate during the year applies to a residence homestead exemption for an individual 65 years of age or older and a residence homestead exemption for a disabled individual and instead, provide that this applies to a residence homestead exemption under Tax Code Section 11.13(c) or (d).

Effective Jan. 1, 2014, contingent on voter approval of HJR 24, and applies only to taxes imposed for a tax year that begins on or after the effective date (HB 97). Effective Jan. 1, 2014, contingent on voter approval of HJR 62 (SB 163).

Section 26.112

SB 163 amends the section heading to “Calculation of Taxes on Residence Homestead of Certain Persons.”

The bill amends subsection (a) to provide that if at any time during a tax year property is owned by an individual who qualifies for an exemption under Tax Code Section 11.132 (Chapter 138, 83rd Regular Session), the amount of the tax due on the property for the tax year is calculated as if the individual qualified for the exemption on Jan. 1 and continued to qualify for the exemption for the remainder of the tax year.

The bill amends subsection (b) to provide that if an individual qualifies for an exemption under Tax Code Section 11.132 (Chapter 138, 83rd Regular Session) after the amount of the tax due on the property is calculated and the qualification reduces the tax due on the property, the assessor for each taxing unit is required to recalculate the amount of the tax due on the property and correct the tax roll.

Effective Jan. 1, 2014, contingent on voter approval of HJR 62.



Section 26.1127

HB 97 adds this section to provide that except as provided by Tax Code Section 26.10(b), if at any time during a tax year property is owned by an individual who qualifies for an exemption under Tax Code Section 11.132 (Chapter 122, 83rd Regular Session), the amount of the tax due on the property for the tax year is calculated as if the individual qualified for the exemption on Jan. 1 and continued to qualify for the exemption for the remainder of the tax year.

The bill provides that if an individual qualifies for an exemption under Tax Code Section 11.132 (Chapter 122, 83rd Regular Session) after the tax due is calculated and the qualification reduces the tax due, the assessor for each taxing unit is required to recalculate the tax due on the property and correct the tax roll. If the tax bill has been mailed and the tax on the property has not been paid, the bill requires the assessor to mail a corrected tax bill to the individual in whose name the property is listed

on the tax roll or to the individual's authorized agent. If the tax on the property has been paid, the bill requires the tax collector for the taxing unit to refund to the individual who paid the tax the amount by which the payment exceeded the tax due.

Effective Jan. 1, 2014, contingent on voter approval of HJR 24, and applies only to taxes imposed for a tax year that begins on or after the effective date.

Section 26.15

HB 709 amends subsection (g) to authorize a taxing unit that determines a taxpayer is delinquent in ad valorem tax payments for a tax year other than the tax year for which a liability for a refund arises to apply the amount of an overpayment to the payment of the delinquent taxes under specified conditions.

Effective Jan. 1, 2014, and applies only to taxes imposed for a tax year that begins on or after the effective date.

Chapter 31. Collections

Section 31.031

HB 709 and **HB 1597** amend subsection (a) to modify to whom this section, relating to installment payments of certain homestead taxes, applies to include a disabled veteran and surviving spouse or child who is qualified for an exemption under Tax Code 11.22 and to strike the requirement that this individual be the unmarried surviving spouse of a disabled veteran.

Effective Sept. 1, 2013, and applies only to taxes imposed for a tax year beginning on or after the effective date (HB 1597). Effective Jan. 1, 2014, and applies only to taxes imposed for a tax year that begins on or after the effective date (HB 709).

HB 97 amends subsection (a) to modify to whom this section, relating to installment payments of certain homestead taxes, applies to include an individual who is a disabled veteran or the unmarried surviving spouse of a disabled veteran and qualified for an exemption under Tax Code Section 11.132 (Chapter 122, 83rd Regular Session) or Tax Code Section 11.22.

Effective Jan. 1, 2014, contingent on voter approval of HJR 24, and applies only to taxes imposed for a tax year that begins on or after the effective date.

HB 1597 amends subsection (a-1) to modify the provision that homestead taxes can be paid in installments if certain conditions are met to authorize an individual, as specified, to pay a taxing unit's taxes imposed on property that the person owns and occupies as a residence homestead in four equal installments without penalty or interest if the first installment is paid before the delinquency date and is accompanied by notice to the taxing unit that the person will pay the remaining taxes in three equal installments. The bill modifies the provisions for the installment deadlines to provide that the second installment

must be paid before April 1, the third installment before June 1, and the fourth installment before Aug. 1.

The bill adds subsection (a-2) to provide that notwithstanding the deadline prescribed by subsection (a-1) for payment of the first installment, an individual, as specified, may pay taxes in four equal installments as provided if the first installment is paid and the required notice is provided before March 1.

The bill amends subsection (b) to provide that if an individual fails to make the first payment before the applicable date, the unpaid amount is delinquent and incurs penalty and interest as prescribed.

Effective Sept. 1, 2013, and applies only to taxes imposed for a tax year beginning on or after the effective date.

Section 31.11

HB 709 amends subsection (b) to authorize a taxing unit that determines a taxpayer is delinquent in ad valorem tax payments for a tax year other than the tax year for which a liability for a refund arises to apply the amount of an overpayment or erroneous payment to the payment of the delinquent taxes under specified conditions.

Effective Jan. 1, 2014, and applies only to taxes imposed for a tax year that begins on or after the effective date.

HB 585 adds subsection (j) to provide that if the collector for a taxing unit does not respond to an application for a refund on or before the 90th day after the date the application is filed with the collector, the application is presumed to have been denied.

The bill adds subsection (k) to provide that not later than the 60th day after the date the collector for a taxing unit denies an application for a refund, the taxpayer may file suit against the taxing unit in district court to compel the payment of the refund. If the collector collects taxes for more than one taxing



unit, the bill requires the taxpayer to join in the suit each taxing unit on behalf of which the collector denied the refund. The bill provides that if the taxpayer prevails in the suit, the taxpayer may be awarded court costs and may be awarded reasonable

attorney's fees in an amount not to exceed the greater of \$1,500 or 30 percent of the total amount of the refund determined by the court to be due.

Effective June 14, 2013.

Chapter 32. Tax Liens and Personal Liability

Section 32.015

HB 3613 amends subsection (a) to provide that a tax lien is extinguished and canceled and the tax lien must be removed from the title records of a manufactured home when no suit to collect a personal property tax lien has been filed and the lien has been delinquent for more than four years.

Effective Sept. 1, 2013.

Section 32.06

SB 247 amends the heading of the section to "Property Tax Loans, Transfer of Tax Lien."

The bill amends subsection (a) to modify the definition of "transferee" to provide that it means a person who is licensed under Finance Code Chapter 351, or is exempt from the application of that chapter under Finance Code Section 351.051(c), and who is authorized to pay the taxes of another; or a successor in interest to a tax lien that is transferred as provided.

The bill modifies subsection (a-1) to strike language that the currently required sworn document must state that notice has been given that if the property owner is age 65, the owner may be eligible for a tax deferral under Tax Code Section 33.06. The bill modifies the required sworn document to specify that it must state the authorization for payment of the taxes. The bill provides that a property owner must execute a sworn document with specified statements and information required by Finance Code Section 351.054, in addition to the previously required filing of these items with the collector of the taxing unit, to authorize another person to pay the taxes imposed by the taxing unit on the owner's real property.

The bill amends subsection (a-2) to provide an exception as provided by subsection (a-8) to the current authorization that a tax lien may be transferred to a person who pays the taxes on behalf of the property owner. The bill modifies provisions to provide that a tax lien may be transferred for taxes that are due but not delinquent at the time of payment if the property is not subject to a recorded mortgage lien. The bill strikes the provision providing for a tax lien transfer if a tax lien transfer authorized by the property owner has been executed and recorded for one or more prior years on the same property and the property owner has executed an authorization consenting to a transfer of the tax liens for both the taxes on the property that are not delinquent and taxes on the property that are delinquent as provided.

The bill amends subsection (a-3) to prohibit a person who is 65 years of age or older from authorizing a transfer of a tax lien on real property on which the person is eligible to claim

an exemption from taxation under Tax Code Section 11.13(c). The bill strikes the provision relating to a property owner executing an authorization under subsection (a-2)(2)(B) which the bill deleted.

The bill amends subsection (a-4) to require the Finance Commission of Texas by rule to prescribe the form and content of a request a lender with an existing recorded lien on the property must use to request a payoff statement and the transferee's response to the request, including the period within which the transferee must respond.

The bill adds subsection (a-5) to provide that at the time the transferee provides the disclosure statement as required, the transferee must also describe the type and approximate cost range of each additional charge or fee that the property owner may incur in connection with the transfer.

The bill adds subsection (a-6) to provide that notwithstanding subsection (f-3), a lender as described may request a payoff statement before the tax loan becomes delinquent. The bill requires the Finance Commission of Texas by rule to require a transferee who receives a request for a payoff statement to deliver the requested payoff statement on the prescribed form within a period prescribed by Finance Commission rule. The bill provides that the prescribed period must allow the transferee at least seven business days after the date the request is received to deliver the payoff statement. The bill authorizes the Consumer Credit Commissioner to assess an administrative penalty under Subchapter F, Chapter 14 of the Finance Code, against a transferee who willfully fails to provide the payoff statement as prescribed by Finance Commission rule.

The bill adds subsection (a-7) to provide that a contract between a transferee and a property owner that purports to authorize payment of taxes that are not delinquent or due at the time of the authorization, or that lacks the authorization as described is void.

The bill adds subsection (a-8) to prohibit a tax lien from being transferred to a person who pays the taxes on behalf of the property owner under the authorization as described if the real property has been financed, wholly or partly, with a grant or below market rate loan provided by a governmental program or nonprofit organization and is subject to the covenants of the grant or loan; or is encumbered by a lien recorded under Subchapter A, Chapter 214 of the Local Government Code.

The bill adds subsection (a-9) to authorize the Finance Commission of Texas to adopt rules to implement subsection (a-8).



The bill amends subsection (b) to provide that if a transferee pays imposed collection costs, the collector must issue a tax receipt to the transferee and the collector must certify that the collection costs on the subject property have been paid by the transferee on behalf of the property owner and that the taxing unit's tax lien is transferred to that transferee.

The bill amends subsection (c) to strike language that a transferee of tax lien is entitled to foreclose a lien in the manner specified in Property Code Section 51.002, and Tax Code Section 32.065, after the transferee or a successor in interest obtains a court order for foreclosure under Rule 736, Texas Rules of Civil Procedure, except as provided, if the property owner and the transferee enter into a contract that is secured by a lien on the property.

The bill repeals subsection (c-1) relating to a transferee foreclosing on a tax lien as provided under subsection (c)(2) which the bill deleted.

The bill amends subsection (d) to modify a provision to provide that a transferee shall record a tax lien transferred as provided with a certified statement.

The bill amends subsection (e-1) to modify a provision to provide that a transferee of a tax lien may not charge a fee for any expenses arising after the closing of a loan secured by a tax lien transferred, including collection costs, except as provided.

The bill amends subsection (f-4) to modify the provision to provide that the failure to comply with subsection (b-1), (f), or (f-1) does not invalidate a tax lien transferred as provided or a deed of trust.

The bill amends subsection (g) to strike references to the holder of a tax lien.

The bill amends subsection (h) to modify the provision that a mortgage servicer who pays a property tax loan secured by a tax lien transferred as provided becomes subrogated to all rights in the lien.

The bill amends subsection (i) to modify the provision that the foreclosure of a transferred tax lien may not be instituted within one year from the date on which the lien is recorded as provided to specify that this applies to judicial foreclosures and strikes the exception to the provision as provided by Tax Code Section 33.445.

The bill amends subsection (j) to strike a reference to a holder of a lien.

The bill adds subsection (l) to provide that except as specifically provided by this section, a property owner cannot waive or limit any requirement imposed on a transferee by this section.

Effective May 29, 2013, and applies only to a contract entered into on or after the effective date.

Section 32.065

SB 247 amends subsection (b) to strike language that requires a contract between a transferee and the property owner that is secured by a priority lien to provide for the power of sale and to strike language that these contracts provide for foreclosure in the manner provided by Tax Code Section 32.06(c)(2) which the bill deleted. The bill also strikes the requirement that these contracts provide for the recording of the sworn document and affidavit attesting to the transfer of the tax lien and these contracts provide for the transferee to serve foreclosure notices as specified on the property owner at the property owner's last known address as provided.

The bill adds subsection (i) to provide that an agreement as provided that attempts to create a lien for the payment of taxes that are not delinquent or due at the time the property owner executes the sworn document under Tax Code Section 32.06(a-1) is void.

Effective May 29, 2013, and applies only to a contract entered into on or after the effective date.

Chapter 33. Delinquency

Section 33.011

HB 1913 amends subsection (d) to provide that a request for a waiver of penalties and interest under subsection (i) must be made before the 181st day after the date the property owner making the request receives notice of the delinquent tax that satisfies the requirements of Tax Code Section 33.04(b). The bill provides that a request for a waiver of penalties and interest under subsection (j) must be made before the 181st day after the delinquency date.

The bill adds subsection (i) to authorize a governing body of a taxing unit to waive penalties and interest on a delinquent tax that relates to a date preceding the date on which the property owner acquired the property if:

1. the property owner or another person liable for the tax pays the tax not later than the 181st day after the date the

property owner receives notice of the delinquent tax that satisfies the requirements of Tax Code Section 33.04(b); and

2. the delinquency is the result of taxes imposed on omitted property entered in the appraisal records as provided by Tax Code Section 25.21, erroneously exempted property or appraised value added to the appraisal roll as provided by Tax Code Section 11.43(i), or property added to the appraisal roll under a different account number or parcel when the property was owned by a prior owner.

The bill adds subsection (j) to authorize the governing body of a taxing unit to waive penalties and interest on a delinquent tax if the taxpayer submits evidence sufficient to show that the taxpayer delivered payment for the tax before the delinquency date to the U.S. Postal Service for delivery by mail, but an



act or omission of the postal service resulted in the taxpayer's payment being postmarked after the delinquency date. The bill also provides this authorization if the taxpayer submits evidence sufficient to show that the taxpayer delivered payment for the tax before the delinquency date to a private delivery service for delivery, but an act or omission of the private carrier resulted in the taxpayer's payment being received by the taxing unit after the delinquency date.

Effective Sept. 1, 2013.

Section 33.02

HB 1597 amends subsection (a) to require that the collector for a taxing unit, on request by a person delinquent in the payment of the tax on a residence homestead, enter into an agreement with the person for payment of the tax, penalties, and interest in installments if the person has not entered into an installment agreement as provided with the collector for the taxing unit in the preceding 24 months. The bill modifies the requirements of an installment agreement to include the requirements that the installment agreement provide for payments to be made in equal monthly installments and extend for a period of at least 12 months.

The bill amends subsection (b) to create an exception as provided by subsection (b-1) to the current provision that interest and penalty accrue as provided by Tax Code Sections 33.01(a) and (c) on the unpaid balance during the period of the installment agreement.

The bill adds subsection (b-1) to provide that except as otherwise provided, a penalty does not accrue as provided by Tax Code Section 33.01(a) on the unpaid balance during the period of the installment agreement if the property that is the subject of the agreement is a residence homestead. If the property owner fails to make a payment as required by the installment agreement, the bill provides that a penalty accrues as provided by Tax Code Section 33.01(a) on the unpaid balance as if the owner had not entered into the agreement.

Effective Sept. 1, 2013, and applies only to an installment agreement for the payment of delinquent taxes entered into on or after the effective date.

Section 33.04

HB 1597 amends the section to designate certain pre-existing provisions as subsection (a).

Chapter 34. Tax Sales and Redemption

Section 34.01

HB 699 amends subsection (r) to provide that a commissioners court of the county may designate an area other than an area at the county courthouse where sales will take place that is in a public place within a reasonable proximity of the county courthouse as determined by the commissioners court and in a location as accessible to the public as the courthouse door. The

The bill adds subsection (b) to provide that a notice of delinquency contain a specified statement in capital letters regarding the residence homestead owner contacting the taxing unit about the right the owner may have to enter into an installment agreement.

The bill adds subsection (c) to provide that a collector for a taxing unit must deliver a notice of delinquency to a person who is in breach of an installment agreement under Tax Code Section 33.02 and to any other owner of an interest in the property subject to the agreement whose name appears on the delinquent tax roll before the collector may seize and sell the property or file a suit to collect a delinquent tax subject to the agreement.

Effective Sept. 1, 2013, and applies only to a notice of delinquency delivered on or after the effective date.

HB 1913 adds subsection (b) to provide that if a delinquency is the result of taxes imposed on property described by Tax Code Section 33.011(i), the first page of the notice must include, in 14-point boldfaced type or 14-point uppercase letters, a statement regarding the foreclosure of a lien if the delinquent taxes are not paid and the statement must read substantially as specified.

Effective Sept. 1, 2013.

Section 33.48

HB 585 and **HB 2302** amend subsection (a) to provide that a taxing unit is entitled to recover electronic filing fees in a suit to collect delinquent taxes.

Effective June 14, 2013, and applies to a proceeding that is pending on the effective date or is filed on or after the effective date (HB 585). Effective Sept. 1, 2013, and applies only to a fee that becomes payable on or after Sept. 1, 2013 (HB 2302).

Section 33.49

HB 585 and **HB 2302** amend subsection (a) to provide that a taxing unit is not liable for any fees for electronic filing in a suit to collect taxes, except as provided.

Effective June 14, 2013, and applies to a proceeding that is pending on the effective date or is filed on or after the effective date (HB 585). Effective Sept. 1, 2013, and applies only to a fee that becomes payable on or after Sept. 1, 2013 (HB 2302).

bill requires the commissioners court to record that designation in the real property records of the county and this designation by a commissioners court is not a ground for challenging or invalidating any sale. The bill adds the requirement that a sale must be held at a designated area if the sale is held on or after the 90th day after the date the designation is recorded. The bill strikes the following provision: "if the commissioners court



designates an area in the courthouse or another location in the county for sales, a sale must occur in that area or at that location and if the commissioners court does not designate an area in the courthouse or another location in the county for

sales, a sale must occur in the same area in the courthouse that is designated by the commissioners court for the sale of real property under Property Code Section 51.002.”

Effective Oct. 1, 2013.

Chapter 41. Local Review

Section 41.43

HB 585 amends subsection (a) to add an exception as provided by subsection (a-3) to the provision that a CAD has the burden of establishing the value of property by a preponderance of evidence (for protests claiming excessive value or unequal value) and if the CAD fails to meet that standard, the protest is determined in favor of the property owner.

The bill adds subsection (a-3) to provide that in a protest authorized by Tax Code Section 41.41(a)(1) or (2), the CAD has the burden of establishing the value by clear and convincing evidence presented at the hearing if specified conditions are met. This type of burden applies if:

- the appraised value of the property was lowered under Subtitle F, Remedies (Tax Code Chapters 41, 41A, 42, and 43) in the preceding tax year,
- the appraised value of the property in the preceding tax year was not established as a result of a written agreement between the property owner or the owner’s agent and the CAD under Tax Code Section 1.111(e), and
- the property owner files with the ARB and delivers to the chief appraiser specified information not later than the 14th day before the date of the first day of the hearing.

The specified information, such as income and expense statements or information regarding comparable sales, must be sufficient to allow for a determination of the appraised or market value of the property if the protest is authorized by Tax Code Section 41.41(a)(1). If the protest is authorized by Tax Code Section 41.41(a)(2), the specified information must be sufficient to allow for a determination of whether the property was appraised unequally.

The bill adds subsection (a-4) to provide that if a CAD has the burden of establishing the value of property by clear and convincing evidence presented at the hearing on a protest as specified and the CAD fails to meet that standard, the protest is determined in favor of the property owner.

The bill adds subsection (a-5) to provide that subsection (a-3) (3) does not impose a duty on a property owner to provide any information in a protest authorized by Tax Code Section 41.41(a)(1) or (2). The bill provides that subdivision is merely a condition to the applicability of the standard of evidence provided by subsection (a-3).

Effective Sept. 1, 2013, and applies only to a protest filed with an ARB on or after the effective date.

Section 41.45

HB 585 adds subsection (n) to provide that a property owner does not waive the right to appear in person at the protest hearing by submitting an affidavit to the ARB. The bill authorizes an ARB board to consider the affidavit only if the property owner does not appear at the protest hearing in person. For purposes of scheduling the hearing, the bill requires the property owner to state in the affidavit that the property owner does not intend to appear at the hearing or that the property owner intends to appear at the hearing and that the affidavit may be used only if the property owner does not appear at the hearing. If the property owner does not state in the affidavit whether the owner intends to appear at the hearing, the bill requires the ARB to consider the submission of the affidavit as an indication that the property owner does not intend to appear at the hearing. If the property owner states in the affidavit that the owner does not intend to appear at the hearing or does not state in the affidavit whether the owner intends to appear at the hearing, the bill provides that the ARB is not required to consider the affidavit at the scheduled hearing and may consider the affidavit at a hearing designated for the specific purpose of processing affidavits.

Effective Jan. 1, 2014, and applies to a proceeding that is pending on the effective date or is filed on or after the effective date.

Section 41.66

HB 2792 amends subsection (d) to provide an exception as provided by subsection (d-1) to the provision that ARB hearings conducted under Tax Code Chapter 41 are open to the public.

The bill adds subsection (d-1) to provide that notwithstanding Government Code Chapter 551, the ARB is required to conduct a hearing that is closed to the public if the property owner or the chief appraiser intends to disclose proprietary or confidential information at the hearing that will assist the ARB in determining the protest. The ARB may hold a closed hearing only on a joint motion by the property owner and the chief appraiser.

The bill adds subsection (d-2) to provide that information described by subsection (d-1) is considered information obtained under Tax Code Section 22.27.

Effective June 14, 2013.

HB 585 adds subsection (i) to require that a hearing on a protest filed by a property owner who is not represented by an agent designated under Tax Code Section 1.111 be set for a time and date certain. If the hearing is not commenced within two hours of the



time set for the hearing, the bill requires the ARB to postpone the hearing on the request of the property owner.

The bill amends subsection (j) to require an ARB, on the request of a property owner or a designated agent, to schedule hearings on protests concerning up to 20 designated properties on the same day. The bill provides that the designated properties must be identified in the same notice of protest and the notice must contain in boldfaced type the statement “request for same-day protest hearings.” The bill prohibits a property owner or designated agent from filing more than one request under these provisions with the ARB in the same tax year. The bill authorizes the ARB to schedule hearings on protests concerning more than 20 properties filed by the same property owner or designated agent and to use different panels to conduct the hearings based on the board’s customary scheduling. The ARB is allowed to follow the practices customarily used by the ARB in the scheduling of hearings under these provisions.

The bill adds subsection (k) to provide that if an ARB sits in panels to conduct protest hearings, protests shall be randomly assigned to panels. However, the bill authorizes the ARB to consider the type of property subject to the protest or the ground of the protest for the purpose of using the expertise of a particular panel in hearing protests regarding particular types of property or based on particular grounds. If a protest is scheduled to be heard by a particular panel, the bill prohibits the protest from being reassigned to another panel without the consent of the property owner or designated agent. If the ARB has cause to reassign a protest to another panel, the bill authorizes a property owner or designated agent to agree to reassignment of the protest or to request that the hearing on the protest be postponed. The bill requires the ARB to postpone the hearing on that request. The bill provides that a change of members of a panel because of a

conflict of interest, illness, or inability to continue participating in hearings for the remainder of the day does not constitute reassignment of a protest to another panel.

The bill adds subsection (l) to provide that unless a person offering evidence or argument states that the person is offering it as a person holding a license or certificate under Occupations Code Chapter 1103, Real Estate Appraisers, a property owner, attorney, or agent offering evidence or argument in support of a protest brought under Tax Code Section 41.41(a)(1) or (2) is not subject to Occupations Code Chapter 1103. The bill requires a person holding a license or certificate under Occupations Code Chapter 1103 to state the capacity in which the person is appearing before the ARB.

The bill adds subsection (m) to prohibit a CAD or ARB from making decisions with regard to membership on a panel or chairmanship of a panel based on a member’s voting record in previous protests.

The bill adds subsection (n) to provide that a request for postponement of a hearing must contain the mailing address and email address of the person requesting the postponement. The bill requires an ARB to respond in writing or by email to a request for postponement of a hearing not later than the seventh day after the date of receipt of the request.

The bill adds subsection (o) to authorize the ARB chairman or a member designated by the ARB chairman to make decisions with regard to the scheduling or postponement of a hearing. The chief appraiser or a person designated by the chief appraiser may agree to a postponement of an ARB hearing.

Effective Jan. 1, 2014, and applies to a proceeding that is pending on the effective date or is filed on or after the effective date.

Chapter 41A. Appeal Through Binding Arbitration

Section 41A.01

SB 1255 amends this section to provide that a property owner is entitled to appeal through binding arbitration an ARB order determining a protest filed under Tax Code Section 41.41(a)(2), relating to unequal appraisal of the owner’s property, under specified circumstances.

Effective June 14, 2013.

Section 41A.03

HB 585 and **SB 1662** strike the provision that the arbitration deposit for expedited arbitration is \$250 under Tax Code Section 41A.031 which is repealed by the bills.

Effective June 14, 2013 (HB 585). Effective Jan. 1, 2014 (SB 1662).

Section 41A.031

HB 585 and **SB 1662** repeal this section relating to expedited arbitration.

Effective June 14, 2013 (HB 585). Effective Jan. 1, 2014 (SB 1662).

Section 41A.06

SB 1255 renames the section heading to “Registry and Qualification of Arbitrators.”

The bill adds subsection (c) to provide that an arbitrator must complete a training program on property tax law before conducting a hearing on an arbitration relating to the appeal of an ARB order determining a protest filed under Tax Code Section 41.41(a)(2). The training program must emphasize the requirements regarding the equal and uniform appraisal of property, be at least four hours in length, and be approved by the Comptroller.

Effective June 14, 2013.



Chapter 42. Judicial Review

Section 42.08

HB 585 amends subsection (b) to add the amount of taxes imposed on the property in the preceding tax year to the list of amounts of which a property owner must pay the lesser to proceed to a final determination of an appeal under Chapter 42, Judicial Remedies.

The bill amends subsection (b-1) to provide that the failure to provide the required statement of the amount of taxes the property owner proposes to pay is not a jurisdictional error.

The bill amends subsection (c) to provide that a property owner may pay an additional amount of taxes at any time. The bill also provides that if the taxes are subject to the split-payment option as provided by Tax Code Section 31.03, the property owner may comply with prepayment requirements as a prerequisite to appeal by paying one-half of the amount otherwise required to be paid as provided before Dec. 1 and paying the remaining one-half of that amount before July 1 of the following year.

Effective June 14, 2013, and applies to a proceeding that is pending on the effective date or is filed on or after the effective date.

Section 42.21

HB 585 adds subsection (f) to provide that a petition filed by an owner or lessee of property may include multiple properties that are owned or leased by the same person and are of a similar type or are part of the same economic unit and would typically sell as a single property. If a petition is filed by multiple plaintiffs or includes multiple properties that are not of a similar type, are not part of the same economic unit, or are part of the same economic unit but would not typically sell as a single property, the bill authorizes the court on motion and a showing of good cause to sever the plaintiffs or the properties.

The bill adds subsection (g) to provide that a petition filed by an owner or lessee of property may be amended to include additional properties in the same county that are owned or leased by the same person, are of a similar type as the property originally involved in the appeal or are part of the same economic unit as the property originally involved in the appeal and would typically sell as a single property, and are the subject of an ARB order issued in the same year as the order that is the subject of the original appeal. The bill provides that the amendment must be filed within the period during which a petition for review of the ARB order pertaining to the additional properties would be required to be filed as specified.

The bill adds subsection (h) to provide that regardless of whether a petition correctly identifies the plaintiff as the owner or lessee of the property or correctly describes the property, a court has jurisdiction over an appeal under Chapter 42, Judicial Review, brought on behalf of a property owner or lessee and the owner or lessee is considered to have exhausted the owner's or lessee's administrative remedies so long as the property was the subject of an ARB order, the petition was filed within the

specified required period, and the petition provides sufficient information to identify the property that is the subject of the petition. Whether the plaintiff is the proper party to bring the petition or whether the property needs to be further identified or described, the bill provides that this must be addressed by means of a special exception and correction of the petition by amendment as authorized and may not be the subject of a plea to the jurisdiction or a claim that the plaintiff has failed to exhaust the plaintiff's administrative remedies. If the petition is amended to add a plaintiff, the bill requires the court on motion to enter a docket control order to provide proper deadlines in response to the addition of the plaintiff.

Effective June 14, 2013, and applies to a proceeding that is pending on the effective date or is filed on or after the effective date.

Section 42.23

HB 585 adds subsection (h) to provide that evidence, argument, or other testimony offered at an ARB hearing by a property owner or agent is not admissible in an appeal under Chapter 42, Judicial Review unless the:

1. evidence, argument, or other testimony is offered to demonstrate that there is sufficient evidence to deny a no-evidence motion for summary judgment filed by a party to the appeal or is necessary for the determination of the merits of a motion for summary judgment filed on another ground,
2. property owner or agent is designated as a witness for purposes of trial and the testimony offered at the ARB hearing is offered for impeachment purposes, or
3. evidence is the plaintiff's testimony at the ARB hearing as to the value of the property.

Effective June 14, 2013, and applies to a proceeding that is pending on the effective date or is filed on or after the effective date.

Section 42.29

HB 585 amends subsection (a) to provide that a property owner who prevails in an appeal to the district court of an ARB determination of a protest of the denial in whole or in part of an exemption under Tax Code Section 11.17, 11.22, 11.23, 11.231, or 11.24 may be awarded reasonable attorney's fees.

Effective June 14, 2013, and applies to a proceeding that is pending on the effective date or is filed on or after the effective date.

Section 42.43

HB 1897 adds subsection (j) to provide that a property owner is not entitled to a refund under this section resulting from the final determination of an appeal of the denial of an exemption under Tax Code Section 11.31, wholly or partly, unless the property owner is entitled to the refund under subsection (a) or has entered into a written agreement with the chief appraiser that authorizes the refund as part of an agreement related to



the taxation of the property pending a final determination by TCEQ under Tax Code Section 11.31.

The bill adds subsection (k) to provide that not later than the 10th day after the date a property owner and the chief appraiser enter into a written agreement described by subsection (j), the chief appraiser is required to provide to each taxing unit that taxes the property a copy of the agreement. The agreement is

void if a taxing unit that taxes the property objects in writing to the agreement on or before the 60th day after the date the taxing unit receives a copy of the agreement.

Effective Sept. 1, 2013, and subsection (k) of this section applies only to an agreement between a property owner and a chief appraiser entered into on or after the effective date.

Chapter 151. Limited Sales, Excise, and Use Tax

Section 151.356

HB 1712 adds this section, relating to offshore spill response containment property, and adds subsection (a) to define “offshore spill response containment property” as tangible personal property:

- described by Tax Code Section 11.271(c),
- owned or leased by an entity described by Tax Code Section 11.271(f), and
- used or intended to be used solely in an offshore spill response containment system as defined by Tax Code Section 11.271(a).

The bill adds subsection (b) to provide that this section does not apply to an item used, wholly or partly for the exploration for or production of oil, gas, sulfur, or other minerals, including the equipment, piping, casing and other components of

an oil or gas well. The bill provides that, for purposes of this subsection, the offshore capture of fugitive oil, gas, sulfur, or other minerals that is entirely incidental to the item’s temporary use as an offshore spill response containment system is not considered to be production of those substances.

The bill adds subsection (c) to exempt from sales and use tax the sale, lease, rental, storage, use, or other consumption by an entity described by Tax Code Section 11.271(f) of offshore spill response containment property used solely for the purposes described by Tax Code Section 11.271(c) and this section.

The bill adds subsection (d) to provide that a service performed exclusively on offshore spill response containment property is exempted from sales and use taxes.

Effective June 14, 2013, and does not affect tax liability accruing before the effective date.

Chapter 171. Franchise Tax

Section 171.652

HB 2446 transfers Government Code Chapter 490, Subchapter H to Tax Code Chapter 171, redesignated as Tax Code Chapter 171, Subchapter L, Tax Credit for Clean Energy Project.

The bill amends the section heading to “Tax Credit for Clean Energy Project.”

The bill amends subsection (a) to require the Comptroller to adopt rules for issuing to an entity implementing a clean energy project a credit against the tax imposed under this chapter (rather than a franchise tax credit). The bill also provides that a clean energy project is eligible for a credit (rather than a franchise tax credit) only if the project is implemented in connection with the construction of a new facility.

The bill amends subsections (b) and (c) to make conforming changes.

The bill amends subsection (d) to delete language related to the calculation a franchise tax credit and to provide that the total credit that a taxable entity may claim under this section for a report, including the amount of any carry-forward credit, may not exceed the amount of franchise tax due by the taxable entity for the report after any applicable tax credits. The bill limits tax credit carry-forward to not more than 20 consecutive reports.

The bill amends subsection (e) to allow a specified entity to assign the credit to one or more taxable entities and to allow the assigned entity to claim the credit against the tax imposed subject to certain conditions and limitations.

The bill amends subsection (f) to prohibit the Comptroller from issuing a credit (rather than a franchise tax credit) under this section before the later of Sept. 1, 2018 or the expiration of an agreement under Tax Code Chapter 313 regarding the clean energy project for which the credit is issued. The bill deletes language providing that the subsection expires Sept. 2, 2013.

Effective June 14, 2013, but does not apply to a clean energy project that includes a precombustion integrated gasification combined cycle technology with carbon capture and was selected by the U.S. Department of Energy for a Clean Coal Power Initiative award before Feb. 1, 2010. The Comptroller is required to adopt rules necessary to implement Tax Code Chapter 171, Subchapter L not later than Jan. 1, 2014.



Chapter 311. Tax Increment Financing Act

Section 311.014

HB 2636 adds subsection (f) to provide that money in the tax increment fund for a reinvestment zone may be transferred to the tax increment fund for an adjacent zone if:

1. taxing units that participate in the zone from which the money is to be transferred participate in the adjacent zone and vice versa,
2. each participating taxing unit has agreed to deposit the same portion of its tax increment in the fund for each zone,
3. each participating taxing unit has agreed to the transfer, and
4. holders of any tax increment bonds or notes issued for the zone from which the money is to be transferred have agreed to the transfer.

Effective Sept. 1, 2013.

Chapter 313. Texas Economic Development Act

Section 313.002

HB 3390 amends this section to add a legislative finding that given Texas' relatively high ad valorem taxes, it is difficult for the state to compete for new capital projects without temporarily limiting ad valorem taxes imposed on new capital investments. The bill strikes the legislative finding that the State of Texas has slipped in its national ranking each year between 1993 and 2000 in terms of attracting major new manufacturing facilities to this state. The bill modifies a legislative finding to provide that a significant portion of the Texas economy continues to be based in manufacturing and other capital-intensive industries, and their continued growth and overall health serve the Texas economy well.

Effective Jan. 1, 2014, and applies only to an application filed under Tax Code Chapter 313 on or after the effective date. An application filed before Jan. 1, 2014 is governed by the law in effect on the date the application was filed, and the former law is continued in effect for that purpose. An agreement entered into on or after Jan. 1, 2013, pursuant to an application filed under Tax Code Chapter 313, before the effective date may condition eligibility for a limitation on appraised value under Subchapter B or C of that chapter, as applicable, on compliance with the provisions of that chapter, as amended, relating to the creation of new jobs, including Tax Code Section 313.021(3) and Tax Code Section 313.024(d) or 313.051(b), as applicable.

Section 313.003

HB 3390 amends this section to modify one of the purposes of Tax Code Chapter 313 by striking the provision that the chapter should especially encourage large-scale capital investments in school districts that have an ad valorem tax base that is less than the statewide average ad valorem tax base of school districts in this state. The bill modifies one of the purposes of the chapter by striking the word "new" from the purpose to attract new large-scale businesses to this state, authorizing economic development incentives that are comparable to (rather than meet or exceed) incentives offered by other states, and adding state officials to those officials that use this economic development tool.

Effective Jan. 1, 2014, and applies only to an application filed under Tax Code Chapter 313 on or after the effective date. An

application filed before Jan. 1, 2014 is governed by the law in effect on the date the application was filed, and the former law is continued in effect for that purpose. An agreement entered into on or after Jan. 1, 2013, pursuant to an application filed under Tax Code Chapter 313, before the effective date may condition eligibility for a limitation on appraised value under Subchapter B or C of that chapter, as applicable, on compliance with the provisions of that chapter, as amended, relating to the creation of new jobs, including Tax Code Section 313.021(3) and Tax Code Section 313.024(d) or 313.051(b), as applicable.

Section 313.004

HB 3390 amends this section to modify legislative intent by providing that:

- economic development decisions involving school district taxes should occur at the local level with oversight by the state and should be consistent with identifiable statewide economic development goals,
- Tax Code Chapter 313 should not be construed or interpreted to allow an entity not subject to the tax imposed by Tax Code Chapter 171 to receive an ad valorem tax benefit provided by this chapter, and
- school districts should approve only those applications for an ad valorem tax benefit provided by Chapter 313 of the Tax Code that enhance the local community, improve the local public education system, create high-paying jobs, and advance the economic development goals of this state.

The bill also adds legislative intent that in implementing Tax Code Chapter 313, the Comptroller should strictly interpret the criteria and selection guidelines provided by this chapter and the Comptroller should issue certificates for limitations on appraised value only for those applications for an ad valorem tax benefit provided by Tax Code Chapter 313 that create high-paying jobs, provide a net benefit to the state over the long term; and advance the economic development goals of this state.

Effective Jan. 1, 2014, and applies only to an application filed under Tax Code Chapter 313 on or after the effective date. An application filed before Jan. 1, 2014 is governed by the law in effect on the date the application was filed, and the former law is



continued in effect for that purpose. An agreement entered into on or after Jan. 1, 2013, pursuant to an application filed under Tax Code Chapter 313, before the effective date may condition eligibility for a limitation on appraised value under Subchapter B or C of that chapter, as applicable, on compliance with the provisions of that chapter, as amended, relating to the creation of new jobs, including Tax Code Section 313.021(3) and Tax Code Section 313.024(d) or 313.051(b), as applicable.

Section 313.007

HB 3390 amends the section to extend the sunset date from Dec. 31, 2014 to Dec. 31, 2022 of Subchapter B, Limitation on Appraised Value of Certain Property Used to Create Jobs and Subchapter C, Limitation on Appraised Value of Property in Strategic Investment Area or Certain Rural School Districts. The bill also strikes a reference to repealed Subchapter D, School Tax Credits.

Effective Jan. 1, 2014, and applies only to an application filed under Tax Code Chapter 313 on or after the effective date. An application filed before Jan. 1, 2014 is governed by the law in effect on the date the application was filed, and the former law is continued in effect for that purpose. An agreement entered into on or after Jan. 1, 2013, pursuant to an application filed under Tax Code Chapter 313, before the effective date may condition eligibility for a limitation on appraised value under Subchapter B or C of that chapter, as applicable, on compliance with the provisions of that chapter, as amended, relating to the creation of new jobs, including Tax Code Section 313.021(3) and Tax Code Section 313.024(d) or 313.051(b), as applicable.

Section 313.008

HB 3390 repeals this section relating to the Report on Compliance with Energy-Related Agreements.

Effective Jan. 1, 2014, and applies only to an application filed under Tax Code Chapter 313 on or after the effective date. An application filed before Jan. 1, 2014 is governed by the law in effect on the date the application was filed, and the former law is continued in effect for that purpose. An agreement entered into on or after Jan. 1, 2013, pursuant to an application filed under Tax Code Chapter 313, before the effective date may condition eligibility for a limitation on appraised value under Subchapter B or C of that chapter, as applicable, on compliance with the provisions of that chapter, as amended, relating to the creation of new jobs, including Tax Code Section 313.021(3) and Tax Code Section 313.024(d) or 313.051(b), as applicable.

Section 313.009

HB 3390 repeals this section relating to the Report on Compliance with Agreements.

Effective Jan. 1, 2014, and applies only to an application filed under Tax Code Chapter 313 on or after the effective date. An application filed before Jan. 1, 2014 is governed by the law in effect on the date the application was filed, and the former law is continued in effect for that purpose. An agreement entered into on

or after Jan. 1, 2013, pursuant to an application filed under Tax Code Chapter 313, before the effective date may condition eligibility for a limitation on appraised value under Subchapter B or C of that chapter, as applicable, on compliance with the provisions of that chapter, as amended, relating to the creation of new jobs, including Tax Code Section 313.021(3) and Tax Code Section 313.024(d) or 313.051(b), as applicable.

Section 313.010

HB 1223 adds this section to provide that an entity that has been issued a registration number under Tax Code Section 151.359 is not eligible to receive a limitation on appraised value under Tax Code Chapter 313.

Effective Sept. 1, 2013.

HB 3390 adds this section to require the State Auditor to annually review at least three major agreements, as determined by the State Auditor, under Tax Code Chapter 313 to determine whether each agreement accomplishes the purposes of Tax Code Chapter 313 as expressed in Tax Code Section 313.003; each agreement complies with the intent of the Legislature in enacting Chapter 313 as expressed in Tax Code Section 313.004 and the terms of each agreement were executed in compliance with the terms of Tax Code Chapter 313. The bill provides that as part of the review, the State Auditor is required to make recommendations relating to increasing the efficiency and effectiveness of the administration of Tax Code Chapter 313.

Effective Jan. 1, 2014, and applies only to an application filed under Tax Code Chapter 313 on or after the effective date. An application filed before Jan. 1, 2014 is governed by the law in effect on the date the application was filed, and the former law is continued in effect for that purpose. An agreement entered into on or after Jan. 1, 2013, pursuant to an application filed under Tax Code Chapter 313, before the effective date may condition eligibility for a limitation on appraised value under Subchapter B or C of that chapter, as applicable, on compliance with the provisions of that chapter, as amended, relating to the creation of new jobs, including Tax Code Section 313.021(3) and Tax Code Section 313.024(d) or 313.051(b), as applicable.

Section 313.021

HB 1133 amends subdivision (2) to modify the definition of “qualified property” for tangible personal property to provide that it does not include property for which a sales and use tax refund has been claimed under Tax Code Section 151.3186.

Effective Sept. 1, 2013.

HB 3390 amends subdivision (2) to modify the definition of “qualified property” to provide that for qualifying land, the job-creation requirement of at least 25 new jobs is for qualifying jobs and that the definition provides that a person must submit a completed application (rather than applies) for a limitation on appraised value under Subchapter B, Limitation on Appraised Value of Certain Property Used to Create Jobs.



The bill also amends the definition of “qualified property” to provide that for qualifying tangible personal property, qualified property includes property first placed in service in a newly expanded building.

The bill amends subdivision (3) to modify the definition of “qualifying job” to strike language that it pays at least 110 percent of the county average weekly wage for all jobs in the county where the job is located, if the property owner creates more than 1,000 jobs in that county. The bill also modifies the definition of “qualifying job” to provide that in determining whether a property owner has created the number of qualifying jobs required under Tax Code Chapter 313, operations, services and other related jobs created in connection with the project, including those employed by third parties under contract, may satisfy the minimum qualifying jobs requirement for the project if the Texas Workforce Commission determines that the cumulative economic benefits to the state of these jobs is the same or greater than that associated with the minimum number of qualified jobs required to be created under this chapter. The bill authorizes the Texas Workforce Commission to adopt rules to implement this provision.

Effective Jan. 1, 2014, and applies only to an application filed under Tax Code Chapter 313 on or after the effective date. An application filed before Jan. 1, 2014 is governed by the law in effect on the date the application was filed, and the former law is continued in effect for that purpose. An agreement entered into on or after Jan. 1, 2013, pursuant to an application filed under Tax Code Chapter 313, before the effective date may condition eligibility for a limitation on appraised value under Subchapter B or C of that chapter, as applicable, on compliance with the provisions of that chapter, as amended, relating to the creation of new jobs, including Tax Code Section 313.021(3) and Tax Code Section 313.024(d) or 313.051(b), as applicable.

Section 313.024

HB 3390 amends subsection (a) to provide that Subchapter B, Limitation on Appraised Value of Certain Property Used to Create Jobs and Subchapter C, Limitation on Appraised Value of Property in Strategic Investment Area or Certain Rural School Districts apply only to property owned by an entity subject to the tax imposed by Tax Code Chapter 171. The bill also strikes a reference to repealed Subchapter D, School Tax Credits.

The bill amends subsection (b) to add “Texas priority project” to the list of property uses. An entity must use property for at least one of the listed uses for the property to eligible for a limitation on appraised value under Subchapter B, Limitation on Appraised Value of Certain Property Used to Create Jobs.

The bill amends subsection (d) to strike language that to be eligible for an appraisal limitation at least 80 percent of all the new jobs created by the property owner must be qualifying jobs as defined by Tax Code Section 313.021(3). The bill provides that to be eligible for the limitation, the property owner must create the required number of new qualifying jobs as defined by Tax Code Section 313.021(3) and the average weekly wage

for all jobs created by the owner that are not qualifying jobs must exceed the county average weekly wage for all jobs in the county where the jobs are located.

The bill adds subsection (d-2) to provide that for purposes of determining whether a property owner has created the number of new qualifying jobs required for eligibility for a limitation on appraised value under Subchapter B, Limitation on Appraised Value of Certain Property Used to Create Jobs, the new qualifying jobs created under an agreement between the property owner and another school district may be included in the total number of new qualifying jobs created in connection with the project if the Texas Economic Development and Tourism Office determines that the projects covered by the agreements constitute a single unified project. The bill authorizes the Texas Economic Development and Tourism Office to adopt rules to implement this provision.

The bill amends subsection (e) to add the definition of “Texas priority project” to mean a project on which the applicant has committed to expend or allocate a qualified investment of more than \$1 billion.

Effective Jan. 1, 2014, and applies only to an application filed under Tax Code Chapter 313 on or after the effective date. An application filed before Jan. 1, 2014 is governed by the law in effect on the date the application was filed, and the former law is continued in effect for that purpose. An agreement entered into on or after Jan. 1, 2013, pursuant to an application filed under Tax Code Chapter 313, before the effective date may condition eligibility for a limitation on appraised value under Subchapter B or C of that chapter, as applicable, on compliance with the provisions of that chapter, as amended, relating to the creation of new jobs, including Tax Code Section 313.021(3) and Tax Code Section 313.024(d) or 313.051(b), as applicable.

Section 313.025

HB 3390 amends subsection (a) to provide that an appraisal limitation application must include any information required by the Comptroller for purposes of Tax Code Section 313.026.

The bill amends subsection (a-1) to provide that a school district submit proposed agreements (rather than agreements) between the applicant and the school district to the Comptroller within seven days of the receipt of each document.

The bill amends subsection (b) to require the governing body of a school district to deliver a copy (rather than three copies) of an application to the Comptroller and to request that the Comptroller conduct an economic impact evaluation of the investment proposed by the application (rather than provide an economic impact evaluation of the application to the school district). The bill requires the Comptroller to provide the Comptroller’s certificate or written explanation of the Comptroller’s decision not to issue a certificate when the Comptroller provides the completed economic impact evaluation to the governing body of a school district. The Comptroller must provide the school district an economic impact evaluation



and certificate or written explanation not later than the 90th day after receiving the application. The school district must provide any requested information to a person contracted by the Comptroller to conduct the economic impact evaluation.

The bill amends subsection (b-1) to require TEA to submit a written report to the school district, rather than to the Comptroller, on the impact of the applicant's proposal on the number or size of the school districts instructional facilities. The bill strikes language that a third person contracted by the Comptroller to conduct an economic impact evaluation of an application is not required to make a determination that TEA is required to make and report to the Comptroller. The bill strikes a reference to criterion in the economic impact evaluation that was deleted by the bill.

The bill amends subsection (d) to provide that not later than the 90th day after the date the Comptroller receives a copy of an application, the Comptroller shall either issue a certificate for a limitation on appraised value of the property and provide the certificate to the governing body of the school district or provide the governing body a written explanation of the Comptroller's decision not to issue a certificate. The bill strikes language that before the 91st day after the date the Comptroller receives a copy of the application, the Comptroller must submit a recommendation to the governing body of the school district as to whether the application should be approved or disapproved.

The bill amends subsection (d-1) to prohibit a governing body of a school district from approving an application unless the Comptroller submits to the governing body a certificate for a limitation on appraised value of the property. The bill strikes language that authorized a governing body of a school district to approve an application that the Comptroller recommended should be disapproved when at least two-thirds of the members of the governing body vote to approve the application at a subsequent meeting after a public hearing to consider the application and the Comptroller's recommendation.

The bill amends subsection (e) to provide that the governing body of a school district must make written findings as to any criteria considered by the Comptroller in conducting the economic impact evaluation under Tax Code Section 313.026, rather than provide written findings of specified criterion listed in that section.

The bill amends subsection (i) to provide that if the Comptroller determination that a property does not meet eligibility requirements becomes final, the Comptroller is not required to submit a certificate for a limitation on appraised value of the property or a written explanation of the decision not to issue a certificate. The bill strikes the language that if a Comptroller determination that a property does not meet eligibility requirements becomes final, the Comptroller is not required to submit a recommendation to the school district as to whether the application should be approved or disapproved.

Effective Jan. 1, 2014, and applies only to an application filed under Tax Code Chapter 313 on or after the effective date. An

application filed before Jan. 1, 2014 is governed by the law in effect on the date the application was filed, and the former law is continued in effect for that purpose. An agreement entered into on or after Jan. 1, 2013, pursuant to an application filed under Tax Code Chapter 313, before the effective date may condition eligibility for a limitation on appraised value under Subchapter B or C of that chapter, as applicable, on compliance with the provisions of that chapter, as amended, relating to the creation of new jobs, including Tax Code Section 313.021(3) and Tax Code Section 313.024(d) or 313.051(b), as applicable.

Section 313.026

HB 3390 amends subsection (a) to provide that the economic impact evaluation of an application must include any information the Comptroller determines is necessary or helpful to the governing body of the school district in determining whether to approve an application, or to the Comptroller in determining whether to issue a certificate for a limitation on appraised value of the property. The bill strikes the required specified items in the evaluation.

The bill amends subsection (b) to require that the Comptroller's determination whether to issue a certificate for a limitation on appraised value be based on the economic impact evaluation, rather than require that the Comptroller's recommendations be based on specified criteria in the evaluation.

The bill adds subsection (c) to prohibit the Comptroller from issuing a certificate for a limitation on appraised value unless the Comptroller makes two determinations. The first determination is whether the project proposed by the applicant is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue, including state tax revenue, school district maintenance and operations ad valorem tax revenue attributable to the project, and any other tax revenue attributable to the effect of the project on the economy of the state, in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement. The second determination is whether the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state.

The bill adds subsection (b) to require the Comptroller to state in writing the basis for these determinations.

The bill adds subsection (e) to authorize an applicant to submit information to the Comptroller that would provide a basis for an affirmative determination that the appraised value limitation is a determining factor in the applicant's decision to invest capital and construct the project in this state.

The bill adds subsection (f) to provide that notwithstanding the required determinations, if the Comptroller makes a qualitative determination that other considerations associated with the project result in a net positive benefit to the state, the Comptroller may issue the certificate.

Effective Jan. 1, 2014, and applies only to an application filed under Tax Code Chapter 313 on or after the effective date. An



application filed before Jan. 1, 2014 is governed by the law in effect on the date the application was filed, and the former law is continued in effect for that purpose. An agreement entered into on or after Jan. 1, 2013, pursuant to an application filed under Tax Code Chapter 313, before the effective date may condition eligibility for a limitation on appraised value under Subchapter B or C of that chapter, as applicable, on compliance with the provisions of that chapter, as amended, relating to the creation of new jobs, including Tax Code Section 313.021(3) and Tax Code Section 313.024(d) or 313.051(b), as applicable.

Section 313.0265

HB 3390 amends subsection (b) to strike a reference to repealed Subchapter D, School Tax Credits.

Effective Jan. 1, 2014, and applies only to an application filed under Tax Code Chapter 313 on or after the effective date. An application filed before Jan. 1, 2014 is governed by the law in effect on the date the application was filed, and the former law is continued in effect for that purpose. An agreement entered into on or after Jan. 1, 2013, pursuant to an application filed under Tax Code Chapter 313, before the effective date may condition eligibility for a limitation on appraised value under Subchapter B or C of that chapter, as applicable, on compliance with the provisions of that chapter, as amended, relating to the creation of new jobs, including Tax Code Section 313.021(3) and Tax Code Section 313.024(d) or 313.051(b), as applicable.

Section 313.027

HB 3390 amends subsection (a) to strike the eight tax year time period during which an appraised value may be limited for maintenance and operations purposes.

The bill adds subsection (a-1) to provide that an agreement must provide that a limitation applies for a period of 10 years and that an agreement specify the beginning date of the limitation, which must be Jan. 1 of the first tax year that begins after the application date, the qualifying time period, or the date commercial operations begin at the site of the project.

The bill amends subsection (f) to modify one of the required contents of an agreement to provide that the agreement must require the property owner to maintain a viable presence in the school district for at least five years (rather than three years) after the date the limitation on appraised value of the owner's property expires. The bill also requires that an agreement must be in a form approved by the Comptroller.

The bill amends subsection (h) to prohibit an agreement from providing for the deferral of the date on which the qualifying time period is to commence to a date later than Jan. 1 of the fourth tax year that begins after the date the application is approved. The bill provides that if the agreement is one of a series of agreements related to the same project, the agreement may provide for the deferral of the date on which the qualifying time period is to commence to a date not later than Jan. 1 of the sixth tax year that begins after the date the application is approved.

The bill amends subsection (i) to modify the current limitation on supplemental payments to a school. The bill prohibits a person and a school district from entering an agreement under which the person agrees to provide supplemental payments to a school district or any other entity on behalf of a school district that exceeds an amount equal to the greater of \$50,000 per year or \$100 per student per year in average daily attendance, or for a period that exceeds a specified time period.

The bill adds subsection (j) to provide that an agreement under Tax Code Chapter 313 must disclose any consideration promised in conjunction with the application and the limitation.

Effective Jan. 1, 2014, and applies only to an application filed under Tax Code Chapter 313 on or after the effective date. An application filed before Jan. 1, 2014 is governed by the law in effect on the date the application was filed, and the former law is continued in effect for that purpose. An agreement entered into on or after Jan. 1, 2013, pursuant to an application filed under Tax Code Chapter 313, before the effective date may condition eligibility for a limitation on appraised value under Subchapter B or C of that chapter, as applicable, on compliance with the provisions of that chapter, as amended, relating to the creation of new jobs, including Tax Code Section 313.021(3) and Tax Code Section 313.024(d) or 313.051(b), as applicable.

Section 313.0275

HB 3390 amends subsection (a) to strike the requirement that a person with whom a school district enters into an agreement under Subchapter B, Limitation on Appraised Value of Certain Property Used to Create Jobs, must create the required number of qualifying jobs during each year of the agreement.

The bill adds subsection (d) to provide that in the event of a casualty loss that prevents a person from complying with specified requirements, the person may request and the Comptroller may grant a waiver of certain penalties.

Effective Jan. 1, 2014, and applies only to an application filed under Tax Code Chapter 313 on or after the effective date. An application filed before Jan. 1, 2014 is governed by the law in effect on the date the application was filed, and the former law is continued in effect for that purpose. An agreement entered into on or after Jan. 1, 2013, pursuant to an application filed under Tax Code Chapter 313, before the effective date may condition eligibility for a limitation on appraised value under Subchapter B or C of that chapter, as applicable, on compliance with the provisions of that chapter, as amended, relating to the creation of new jobs, including Tax Code Section 313.021(3) and Tax Code Section 313.024(d) or 313.051(b), as applicable.

Section 313.0276

HB 3390 adds this section to require the Comptroller to conduct an annual review and issue a determination as to whether a person with whom a school district has entered into an agreement under Tax Code Chapter 313 satisfied in the preceding year the requirements of this chapter regarding the creation of the required number of qualifying jobs. If the Comptroller



makes an adverse determination in the review, the bill requires the Comptroller to notify the person of the cause of the adverse determination and the corrective measures necessary to remedy the determination.

If a person who receives an adverse determination fails to remedy the determination following notification of the determination and the Comptroller makes an adverse determination with respect to the person's compliance in the following year, the bill provides that a person must submit to the Comptroller a plan for remedying the determination and certify the person's intent to fully implement the plan not later than Dec. 31 of the year in which the determination is made. If a person who receives an adverse determination fails to comply following notification of the determination and receives an adverse determination in the following year, the bill requires the Comptroller to impose a penalty on the person. The bill provides the computation of the penalty. If a person receives an adverse determination and the Comptroller has previously imposed a penalty on the person one or more times, the bill requires the Comptroller to impose a penalty on the person in an amount equal to a specified calculation. The bill provides that these imposed penalties may not exceed an amount equal to the difference between the amount of the ad valorem tax benefit received by the person under the agreement in the preceding year and the amount of any supplemental payments made to the school district in that year.

The bill provides that a job created by a person that is not a qualifying job because the job does not meet a numerical requirement as prescribed is considered for purposes of the penalty for failure to comply with job-creation requirements to be a non-qualifying job only if the job fails to meet the numerical requirement by at least 10 percent.

The bill provides that an adverse determination is a deficiency determination under Tax Code Section 111.008. An imposed penalty is an amount the Comptroller is required to collect, receive, administer, or enforce, and the determination is subject to the payment and redetermination requirements of Tax Code Sections 111.0081 and 111.009. The bill provides that a redetermination under Tax Code Section 111.009 of an adverse determination relating to a penalty for failure to comply with job-creation requirements is a contested case as defined by Government Code Section 2001.003.

If a person on whom a penalty is imposed contends that the amount of the penalty is unlawful or that the Comptroller may not legally demand or collect the penalty, the bill authorizes the person to challenge the Comptroller determination under Subchapters A and B, Chapter 112 of the Tax Code.

If the Comptroller imposes a penalty on a person under this section three times, the bill authorizes the Comptroller to rescind the agreement between the person and the school district under Tax Code Chapter 313. A person may contest a determination by the Comptroller to rescind an agreement between the person and a school district by filing suit against the Comptroller and the attorney general. The district courts of Travis County have exclusive, original jurisdiction of these suits. The bill provides

that these provisions prevail over a provision of Government Code Chapter 25, to the extent of any conflict. If a person files suit and the Comptroller's determination to rescind the agreement is upheld on appeal, the bill requires the person to pay to the Comptroller any tax that would have been due and payable to the school district during the pendency of the appeal, including statutory interest and penalties imposed on delinquent taxes under Tax Code Sections 111.060 and 111.061.

The bill requires the Comptroller to deposit collected penalties, including any interest and penalty applicable to the penalty, to the credit of the foundation school fund.

Effective Jan. 1, 2014, and applies only to an application filed under Tax Code Chapter 313 on or after the effective date. An application filed before Jan. 1, 2014 is governed by the law in effect on the date the application was filed, and the former law is continued in effect for that purpose. An agreement entered into on or after Jan. 1, 2013, pursuant to an application filed under Tax Code Chapter 313, before the effective date may condition eligibility for a limitation on appraised value under Subchapter B or C of that chapter, as applicable, on compliance with the provisions of that chapter, as amended, relating to the creation of new jobs, including Tax Code Section 313.021(3) and Tax Code Section 313.024(d) or 313.051(b), as applicable.

Section 313.031

HB 3390 amends subsection (a) to strike a reference to repealed Subchapter D, School Tax Credits.

The bill amends subsection (b) to modify the current prohibition on the application fee amount from exceeding the estimated cost to the district to process and act on the application to provide that this estimated cost includes any cost to the school district associated with the economic impact evaluation required by Tax Code Section 313.025.

Effective Jan. 1, 2014 and applies only to an application filed under Tax Code Chapter 313 on or after the effective date. An application filed before Jan. 1, 2014 is governed by the law in effect on the date the application was filed, and the former law is continued in effect for that purpose. An agreement entered into on or after Jan. 1, 2013, pursuant to an application filed under Tax Code Chapter 313, before the effective date may condition eligibility for a limitation on appraised value under Subchapter B or C of that chapter, as applicable, on compliance with the provisions of that chapter, as amended, relating to the creation of new jobs, including Tax Code Section 313.021(3) and Tax Code Section 313.024(d) or 313.051(b), as applicable.

Section 313.032

HB 3390 amends subsection (a) to provide that the contents of the Comptroller report on compliance with agreements include for agreements entered into under Tax Code Chapter 313 an assessment, considered in the aggregate, of the total:

- number of jobs created, direct and otherwise, in this state;
- effect on personal income, direct and otherwise, in this state;



- amount of investment in this state;
- taxable value of property on the tax rolls in this state, including property for which the limitation period has expired;
- value of property not on the tax rolls in this state as a result of agreements entered into under this chapter; and
- fiscal effect on the state and local governments.

The bill strikes the requirement that the report must be based on data certified to the Comptroller by each recipient of a limitation on appraised value under Subchapter B, Limitation on Appraised Value of Certain Property Used to Create Jobs. The bill modifies a required item of the report to include the total amount of wages and the median wage of the new qualifying jobs each recipient created. The bill provides that the requirement that the report include the market value of the qualified property of each recipient as determined by the applicable chief appraiser, includes property that is no longer eligible for a limitation on appraised value under the agreement. The bill strikes the requirement that the report include the number of new jobs created by each recipient in each sector of the North American Industry Classification System and strikes the requirement that the report include the number of jobs created that provide health benefits.

The bill adds subsection (b-1) to provide that in preparing the portion of the report described by subsection (a)(1), the Comptroller may use standard economic estimation techniques, including economic multipliers.

The bill amends subsection (c) to provide that the portion of the report described by subsection (a)(2) must be based on data certified to the Comptroller by each recipient or former recipient of a limitation on appraised value under Tax Code Chapter 313.

The bill amends subsection (d) to provide that the Comptroller may require a former recipient of a limitation on appraised value under Tax Code Chapter 313 to submit, on a form the Comptroller provides, information required to complete the report.

Effective Jan. 1, 2014, and applies only to an application filed under Tax Code Chapter 313 on or after the effective date. An application filed before Jan. 1, 2014 is governed by the law in effect on the date the application was filed, and the former law is continued in effect for that purpose. An agreement entered into on or after Jan. 1, 2013, pursuant to an application filed under Tax Code Chapter 313, before the effective date may condition eligibility for a limitation on appraised value under Subchapter B or C of that chapter, as applicable, on compliance with the provisions of that chapter, as amended, relating to the creation of new jobs, including Tax Code Section 313.021(3) and Tax Code Section 313.024(d) or 313.051(b), as applicable.

Section 313.033

HB 3390 adds this section to require each recipient of a limitation on appraised value under Tax Code Chapter 313 to submit to the Comptroller an annual report on a form provided by the

Comptroller that provides information sufficient to document the number of qualifying jobs created.

Effective Jan. 1, 2014, and applies only to an application filed under Tax Code Chapter 313 on or after the effective date. An application filed before Jan. 1, 2014 is governed by the law in effect on the date the application was filed, and the former law is continued in effect for that purpose. An agreement entered into on or after Jan. 1, 2013, pursuant to an application filed under Tax Code Chapter 313, before the effective date may condition eligibility for a limitation on appraised value under Subchapter B or C of that chapter, as applicable, on compliance with the provisions of that chapter, as amended, relating to the creation of new jobs, including Tax Code Section 313.021(3) and Tax Code Section 313.024(d) or 313.051(b), as applicable.

Section 313.051

HB 3390 amends subsection (a) to provide that “strategic investment area” means an area the Comptroller determines is a county within this state with unemployment above the state average and per capita income below the state average, an area within this state that is a federally designated urban enterprise community or an urban enhanced enterprise community; or a defense economic readjustment zone designated under Government Code Chapter 2310.

The bill amends subsection (a-1) to provide that Subchapter C, Limitation on Appraised Value of Property in Strategic Investment Area or Certain Rural School Districts applies to a school district in an area that qualifies as a strategic investment area. The bill provides that Subchapter C also applies to a school district that has territory in a county that has a population of less than 50,000 and according to the federal decennial census, the county’s population from 2000 to 2010 (rather than from 1990 to 2000) remained the same, decreased, or increased at a rate of not more than the average rate of increase in the state during that period (rather than three percent per annum).

The bill amends subsection (a-2) to make conforming changes and adds subsection (a-3) to require the Comptroller, not later than Sept. 1 of each year, to determine areas that qualify as a strategic investment area using the most recently completed full calendar year data available on that date. The bill requires the Comptroller, not later than Oct. 1, to publish a list and map of the designated areas. A determination is effective for the following tax year for purposes of Subchapter C, Limitation on Appraised Value of Property in Strategic Investment Area or Certain Rural School Districts.

The bill amends subsection (b) to strike language that for purposes of Subchapter C, Limitation on Appraised Value of Property in Strategic Investment Area or Certain Rural School Districts, at least 80 percent of all new jobs be qualifying jobs and that each qualifying manufacturing job must pay a specified minimum weekly wage; instead, the bill requires the property



owner create at least 10 new qualifying jobs as defined by Tax Code Section 313.021(3) on the owner's qualified property.

Effective Jan. 1, 2014, and applies only to an application filed under Tax Code Chapter 313 on or after the effective date. An application filed before Jan. 1, 2014 is governed by the law in effect on the date the application was filed, and the former law is continued in effect for that purpose. An agreement entered into on or after Jan. 1, 2013, pursuant to an application filed under Tax Code Chapter 313, before the effective date may condition eligibility for a limitation on appraised value under Subchapter B or C of that chapter, as applicable, on compliance with the provisions of that chapter, as amended, relating to the creation of new jobs, including Tax Code Section 313.021(3) and Tax Code Section 313.024(d) or 313.051(b), as applicable. The bill requires the Comptroller to make the initial determination under Tax Code Section 313.051(a-3), as added by this Act, not later than Sept. 1, 2014, and to publish the initial required list and map not later than Oct. 1, 2014.

Section 313.054

HB 3390 amends subsection (a) to increase the minimum amount of the limitation from \$20 million to \$25 million for a school district in category two, \$10 million to \$20 million for a school district in category three, \$5 million to \$15 million for a school district in category four, and \$1 million to \$10 million for a school district in category five.

Effective Jan. 1, 2014, and applies only to an application filed under Tax Code Chapter 313 on or after the effective date. An application filed before Jan. 1, 2014 is governed by the law in effect on the date the application was filed, and the former law is continued in effect for that purpose. An agreement entered into on or after Jan. 1, 2013, pursuant to an application filed under Tax Code Chapter 313, before the effective date may condition eligibility for a limitation on appraised value under Subchapter B or C of that chapter, as applicable, on compliance with the provisions of that chapter, as amended, relating to the creation of new jobs,

including Tax Code Section 313.021(3) and Tax Code Section 313.024(d) or 313.051(b), as applicable.

Sections 313.101, 313.102, 313.103, 313.104, and 313.105

HB 3390 repeals Subchapter D, School Tax Credits.

Effective Jan. 1, 2014, and applies only to an application filed under Tax Code Chapter 313 on or after the effective date. An application filed before Jan. 1, 2014 is governed by the law in effect on the date the application was filed, and the former law is continued in effect for that purpose. An agreement entered into on or after Jan. 1, 2013, pursuant to an application filed under Tax Code Chapter 313, before the effective date may condition eligibility for a limitation on appraised value under Subchapter B or C of that chapter, as applicable, on compliance with the provisions of that chapter, as amended, relating to the creation of new jobs, including Tax Code Section 313.021(3) and Tax Code Section 313.024(d) or 313.051(b), as applicable.

Section 313.171

HB 3390 amends subsection (b) to provide that the repeal of Subchapter D, School Tax Credits does not affect a property owner's entitlement to a tax credit granted under that subchapter if the property owner qualified for the tax credit before the repeal of that subchapter.

Effective Jan. 1, 2014, and applies only to an application filed under Tax Code Chapter 313 on or after the effective date. An application filed before Jan. 1, 2014 is governed by the law in effect on the date the application was filed, and the former law is continued in effect for that purpose. An agreement entered into on or after Jan. 1, 2013, pursuant to an application filed under Tax Code Chapter 313, before the effective date may condition eligibility for a limitation on appraised value under Subchapter B or C of that chapter, as applicable, on compliance with the provisions of that chapter, as amended, relating to the creation of new jobs, including Tax Code Section 313.021(3) and Tax Code Section 313.024(d) or 313.051(b), as applicable.

Agriculture Code

Section 80.003

HB 1494 amends subdivision (6) to modify the definition of "citrus producer" to include a person who intends to receive income from the sale of citrus, and to include a person who owns land that is primarily used to grow citrus and that is

appraised based on agricultural use under Tax Code Chapter 23, regardless of whether the person receives income from the sale of citrus, and there is an irrebuttable presumption that the person intends to receive income from the sale of citrus.

Effective Sept. 1, 2013.

Civil Practice and Remedies Code

Section 34.041

HB 699 amends subsection (a) to provide that if a public sale of real property is required by court order or other law to be made at a place other than the courthouse door, sales under

Chapter 34, Execution on Judgments, shall be made at the place designated by that court order or other law.

The bill adds subsection (b) to authorize a commissioners court of a county to designate an area, other than an area at the county courthouse, where public sales of real property under



Chapter 34, Execution on Judgments will take place that is in a public place within a reasonable proximity of the county courthouse as determined by the commissioners court and in a location as accessible to the public as the courthouse door. The bill requires a commissioners court to record that designation in the real property records of the county and this designation is not a ground for challenging or invalidating any sale. Except for a sale under subsection (a), a sale must be held at an area designated if the sale is held on or after the 90th day after the date the designation is recorded. The bill authorizes a commissioners court, by order, to authorize a county official or employee to identify separate locations within the designated area for the conduct of sales and for the conduct of sales by peace officers under other laws.

Effective Oct. 1, 2013.

Education Code

Section 42.2515

HB 3390 amends subsection (a) to modify a reference to repealed Subchapter D, Chapter 313, Tax Code to the former Subchapter D, Chapter 313, Tax Code.

Effective Jan. 1, 2014.

Section 42.302

HB 3390 amends subsection (e) to modify a reference to repealed Subchapter D, Chapter 313, Tax Code to the former Subchapter D, Chapter 313, Tax Code.

Effective Jan. 1, 2014.

Section 130.0865

HB 2474 adds this section to provide that bonds payable from revenue and issued by the governing body of a county or school district to finance the purchase of land or the construction of a facility to be used for a branch campus, center, or extension facility authorized under Education Code Section 130.086 may be secured by a trust indenture, a deed of trust, or a mortgage granting a security interest in the applicable land or facility.

Effective June 14, 2013, and applies only to a bond issued on or after the effective date.

Election Code

Section 3.009

SB 637 adds this section to define “debt obligation” to mean an issued public security, as defined by Government Code Section 1201.002 that is secured by property taxes.

Section 132.001

HB 1728 amends subsection (b) to provide that this section (regarding unsworn declarations) does not apply to a lien required to be filed with a county clerk, or an instrument concerning real or personal property required to be filed with a county clerk, in addition to certain required oaths previously excepted.

Effective June 14, 2013.

SB 251 amends subsection (d) to add an exception as provided by subsection (f) to the requirement that an unsworn declaration include a jurat that is substantially the prescribed form.

The bill adds subsection (f) to provide that an unsworn declaration by an employee of a state agency or a political subdivision in the performance of the employee’s job duties must include a jurat that is substantially the prescribed form.

Effective Sept. 1, 2013, and applies to an unsworn declaration executed on or after the effective date.

Section 130.087

HB 2474 amends subsection (k) to modify the allowed uses of the proceeds of the junior college district branch campus maintenance tax to include payments to operate and maintain a junior college district branch campus and support its programs and services in the area of the political subdivision that levied the tax and to include lease payments to the political subdivision for facilities used exclusively by the branch campus that are owned by the political subdivision under an agreement by the applicable junior college district and the political subdivision levying the tax. Previously, the proceeds could be used only to operate and maintain a junior college district branch campus and to support its programs and services in the area of a jurisdiction that levies a junior college district branch campus maintenance tax to operate, maintain, and support the same junior college district branch campus.

Effective June 14, 2013, and applies to the proceeds of a junior college district branch campus maintenance tax levied under Education Code Section 130.087 without regard to whether imposition of the tax was approved by the voters or the proceeds were derived from taxes imposed before, on, or after the effective date.

The bill provides that the document ordering an election to authorize a political subdivision to issue debt obligations must distinctly state the following items:

- proposition language that will appear on the ballot;
- purpose for which the debt obligations are to be authorized;



- principal amount of the debt obligations to be authorized;
- taxes sufficient to pay the annual principal of and interest on the debt obligations may be imposed;
- statement of the estimated tax rate if the debt obligations are authorized or of the maximum interest rate of the debt obligations or any series of the debt obligations, based on the market conditions at the time of the election order;
- maximum maturity date of the debt obligations to be authorized or that the debt obligations may be issued to mature over a specified number of years not to exceed 40;
- aggregate amount of the outstanding principal of the political subdivision's debt obligations as of the beginning of the political subdivision's fiscal year in which the election is ordered;
- aggregate amount of the outstanding interest on debt obligations of the political subdivision as of the beginning of the political subdivision's fiscal year in which the election is ordered; and

- property tax debt service tax rate for the political subdivision at the time the election is ordered, expressed as an amount per \$100 valuation of taxable property.

Effective Sept. 1, 2013, and applies only to an election ordered on or after the effective date.

Section 4.003

SB 637 adds subsection (f) to require a debt obligation election order required under Election Code Section 3.009 be posted:

- on election day and during early voting by personal appearance, in a prominent location at each polling place;
- not later than the 21st day before the election, in three public places in the boundaries of the political subdivision holding the election; and
- during the 21 days before the election, on the political subdivision's website, prominently and together with the notice of the election and the contents of the proposition, if the political subdivision maintains a website.

Effective Sept. 1, 2013, and applies only to an election ordered on or after the effective date.

Finance Code

Section 351.0021

SB 247 amends subsection (c) to prohibit any successor in interest from charging any fee, other than interest, after closing in connection with the transfer of a tax lien unless the fee is expressly authorized under this section; or from charging any interest that is not expressly authorized under Tax Code Section 32.06.

Effective May 29, 2013, and applies only to a contract entered into on or after the effective date.

Section 351.0022

SB 247 adds this section to provide that except as specifically permitted by Finance Code Chapter 351 or Tax Code Chapter 32 a property owner may not waive or limit a requirement imposed on a property tax lender by this chapter.

Effective May 29, 2013, and applies only to a contract entered into on or after the effective date.

Section 351.0023

SB 247 adds this section to require a property tax lender who solicits property tax loans to include notices regarding installment plans for delinquent taxes that may be available from the tax office. If the solicitation is by mail, email, or other print or electronic media, a notice substantially similar to the prescribed notice is required to be included on the first page of all solicitation materials, in at least 12-point boldface type. If the solicitation is by broadcast media, including a television or radio broadcast, the notice must include a prescribed statement.

A property tax lender is prohibited from, in any manner, advertising or causing to be advertised a false, misleading, or deceptive statement or representation relating to a rate, term, or condition of a property tax loan.

A property tax lender who refers to a rate or charge in an advertisement is required to state the rate or charge fully and clearly. If the rate or charge is a rate of finance charge, the bill requires that the advertisement include the annual percentage rate and specifically refer to the rate as an "annual percentage rate." The advertisement must state that the annual percentage rate may be increased after the contract is executed, if applicable. The advertisement may not refer to any other rate, except that a simple annual rate that is applied to the unpaid balance of a property tax loan may be stated in conjunction with, but not more conspicuously than, the annual percentage rate.

If a property tax loan advertisement includes the number of payments, period of repayment, amount of any payment, or amount of any finance charges, the bill provides that the advertisement must, in addition to any applicable requirements, include the terms of repayment (including the repayment obligations over the full term of the loan and any balloon payment); annual percentage rate and refer to that rate as the annual percentage rate; and a statement that the lender may increase the annual percentage rate after the contract is executed, if applicable.

The bill authorizes the Finance Commission to adopt rules to implement and enforce this section. The bill authorizes, notwithstanding Finance Code Section 14.251, the Consumer Credit Commissioner to assess an administrative penalty under



Subchapter F, Chapter 14, Finance Code against a property tax lender who violates this section, regardless of whether the violation is knowing or willful.

Effective May 29, 2013, and applies only to a contract entered into on or after the effective date.

Section 351.003

SB 247 amends this section to create subsection (a) from pre-existing language and to add an exception as provided by subsection (b) to the provision that this chapter does not prohibit a property tax lender from receiving compensation from a party other than the property tax loan applicant for the sale, transfer, assignment, or release of rights on the closing of a property tax loan transaction.

The bill adds subsection (b) to prohibit a person from selling, transferring, assigning, or releasing rights to a property tax loan to a person who is not licensed under Finance Code Section 351.051 or exempt from the application of this chapter under Finance Code Section 351.051(c).

The bill adds subsection (c) to require the Finance Commission to adopt rules to implement this section.

Effective May 29, 2013, and applies only to a contract entered into on or after the effective date.

Government Code

Section 26.005

HB 1728 amends subsection (b) to provide that a county court seal may be created using electronic means, including using an optical disk or another electronic reproduction technique, if the means by which the seal is impressed on an original document created using the same type of electronic means does not allow for changes additions, or deletions.

The bill adds subsection (c) to provide that a county clerk's signature may be affixed on an original document using electronic means, providing those means meet the requirements described by subsection (b).

The bill adds subsection (d) to provide that a seal impressed or a signature affixed by electronic means may be delivered or transmitted electronically.

Effective June 14, 2013.

Section 43.002

SB 265 amends this section to add an exception as provided by subsection (d) to the requirement that a district attorney must give a bond before assuming the duties of the office.

The bill adds subsection (d) to provide that a district attorney is not required to execute the bond required under subsection (a) and may perform the duties of office if the commissioners court of each county in the district by order authorizes the county to self-insure against losses that would have been covered by the

Section 351.051

SB 247 amends subsection (c) to add the exception as provided by Finance Code Section 351.003 to the provision that Finance Code Chapter 351, Property Tax Lenders does not apply to specified entities and persons. The bill provides that this chapter does not apply to an individual who is related to the property owner within the second degree of consanguinity or affinity, as determined under Government Code Chapter 573 (rather than an individual who makes a property tax loan from the individual's own funds to a spouse, former spouse, or persons in the lineal line of consanguinity of the individual lending the money).

Effective May 29, 2013, and applies only to a contract entered into on or after the effective date.

Section 351.054

SB 247 amends subsection (a) to specify that the sworn document that a transferee of a tax lien must file with the collector of a taxing unit must be executed by the borrower.

Effective May 29, 2013, and applies only to a contract entered into on or after the effective date.

bond. An order adopted by a commissioners court under this subsection shall be kept and recorded by the county clerk.

Effective May 18, 2013.

Section 44.002

SB 265 amends this section to add an exception as provided by subsection (c) to the requirement that a criminal district attorney must meet the qualifications and give the bond required of a district attorney by the constitution and general law.

The bill adds subsection (c) to provide that a criminal district attorney is not required to execute the bond required under subsection (a) and may perform the duties of office if the commissioners court of the county the attorney serves by order authorizes the county to self-insure against losses that would have been covered by the bond. An order adopted by a commissioners court under this subsection shall be kept and recorded by the county clerk.

Effective May 18, 2013.

Section 323.0145

HB 1271 adds subsection (e) to provide that if the text of a document described by subsection (a)(2)(C) or (D) regarding texts of bills, amendments and substitutes includes a cross-reference to a section of state statute, the Texas Legislative Council to the extent feasible shall include in any electronic version of the document made available to the public through



the Internet an electronic link or other method by which a person reading the document may automatically access the text of the referenced section.

Effective Nov. 1, 2014, and applies only to a bill or joint resolution filed, or an amendment or substitute adopted by a legislative committee, on or after the effective date.

Section 402.042

SB 246 amends subsection (c) to provide that a request for an attorney general opinion may be made electronically to an electronic mail address designated by the attorney general for the purpose of receiving requests for opinions under this section relating to questions of public interest and official duties.

Effective Sept. 1, 2013.

Section 403.302

HB 1897 amends subsection (d) to provide that for purposes of the determination of school district property value, the current deduction from “taxable value” of the portion of the market value of property not otherwise fully taxable by the school district at market value because of an action required by statute or the constitution of this state does not apply to Tax Code Section 11.311.

Effective Sept. 1, 2013.

SB 163 amends subsection (d-1) to provide that for purposes of subsection (d), a residence homestead that receives an exemption under Tax Code Section 11.132 (Chapter 138, 83rd Regular Session), in the year that is the subject of the study is not considered to be taxable property.

Effective Jan. 1, 2014, contingent on voter approval of HJR 62.

Section 431.0306

SB 1536 repeals this section relating to the tax status of property held by the adjutant general.

Effective Sept. 1, 2013.

Section 431.039

SB 1536 repeals this section relating to an exemption from fees, including fees for property tax records, for a member of the National Guard on federal active duty, or a member of the U.S. armed forces on active duty, who is preparing to be deployed to serve in a hostile fire zone as designated.

Effective Sept. 1, 2013.

Section 431.083

SB 1536 repeals this section relating to an exemption from road or street tax for an officer or enlisted person in the state military forces who complies with the person’s military duties.

Effective Sept. 1, 2013.

Section 437.161

SB 1536 adds this section relating to the tax status of property to provide that property held by the Texas Military Department and rents, issues, and profits from the property are exempt from taxation by the state, a city, a county or other political subdivision, or a taxing district of this state.

Effective Sept. 1, 2013.

Section 437.217

SB 1536 adds this section relating to exemption from fees for deployed military personnel.

The bill adds subsection (a) to provide that a member of the National Guard on federal active duty, or a member of the U.S. armed forces on active duty, who is preparing to be deployed to serve in a hostile fire zone as designated by the U.S. secretary of defense is exempt from paying the following state or local governmental fees the member incurs because of the deployment to arrange the member’s personal affairs fees: for obtaining copies of a birth certificate, a recorded marriage license, a divorce decree, a child support order, guardianship documents, and property tax records; for issuing a marriage license or duplicate marriage license; and fees for transferring title to real or personal property.

The bill adds subsection (b) to provide that the governmental entity responsible for collecting a fee described by subsection (a) may rely on a letter issued by the commander of the service member’s unit for purposes of providing an exemption under subsection (a).

Effective Sept. 1, 2013.

Section 437.218

SB 1536 adds this section relating to a tax exemption.

The bill adds subsection (a) to provide that an officer or enlisted service member in the Texas military forces who complies with the service member’s military duties as prescribed by Government Code Chapter 437, Texas Military is exempt from payment of a road or street tax.

The bill adds subsection (b) to provide that to obtain the exemption, a service member must file in the county tax assessor-collector’s office an affidavit, sworn to before a notary public or other person authorized to administer oaths in this state, in the specified form.

The bill adds subsection (c) to authorize the county tax assessor-collector to rely on a letter issued by the commander of the service member’s unit for purposes of providing the exemption under this section.

Effective Sept. 1, 2013.



Section 551.001

SB 471 adds subdivision (7) to define “recording” to mean a tangible medium on which audio or a combination of audio and video is recorded, including a disc, tape, wire, film, electronic storage drive, or other medium now existing or later developed.

Effective May 18, 2013.

HB 2414 adds subdivision (7) to define a “videoconference call” as a communication conducted between two or more persons in which one or more of the participants communicate with the other participants through duplex audio and video signals transmitted over a telephone network, a data network or the Internet.

Effective June 14, 2013, and applies only to an open meeting held on or after the effective date.

Section 551.006

HB 2414 and **SB 1297** add this section relating to written electronic communications accessible to the public.

The bills add subsection (a) to provide that a communication or exchange of information between members of a governmental body about public business or public policy over which the governmental body has supervision or control does not constitute a meeting or deliberation for purposes of this chapter if the communication is in writing; the writing is posted to an online message board or similar Internet application that is viewable and searchable by the public; and the communication is displayed in real time and displayed on the online message board or similar Internet application for no less than 30 days after the communication is first posted.

The bills add subsection (b) to provide that a governmental body may have no more than one online message board or similar Internet application to be used for the purposes described in subsection (a). The online message board or similar Internet application must be owned or controlled by the governmental body and prominently displayed on the governmental body’s primary webpage as prescribed.

The bills add subsection (c) to provide that the online message board or similar Internet application described in subsection (a) may only be used by governmental body members or staff members who have received specific authorization from a governmental body member. In the event that a staff member posts a communication to the online message board or similar Internet application, the name and title of the staff member must be posted along with the communication.

The bills add subsection (d) to provide that if a governmental body removes from the online message board or similar Internet application a communication that has been posted for at least 30 days, the governmental body is required to maintain the posting for a period of six years. This communication is public information and must be disclosed in accordance with Government Code Chapter 552, Public Information.

The bills add subsection (e) to prohibit a governmental body from voting or taking any action that is required to be taken at a meeting under Government Code Chapter 551, Open Meetings of the governmental body by posting a communication to the online message board or similar Internet application. In no event shall a communication or posting to the online message board or similar Internet application be construed to be an action of the governmental body.

Effective June 14, 2013, and applies only to an open meeting held on or after the effective date (HB 2414). Effective Sept. 1, 2013 (SB 1297).

Sections 551.021, 551.022, 551.023, 551.0725, and 551.0726

SB 471 amends these sections, including headings, to strike “tape” from references of “tape recording” and “tape recorder.”

Effective May 18, 2013.

Section 551.090

SB 228 adds this section to provide that Government Code Chapter 551 does not require a TSBPA appointed enforcement committee to conduct an open meeting to investigate and deliberate a disciplinary action under Subchapter K, Chapter 901, Occupations Code, relating to the enforcement of that chapter or TSBPA rules.

Effective Sept. 1, 2013.

Sections 551.103, 551.104, 551.121, 551.122, and 551.125

SB 471 amends these sections, including headings, to strike “tape” from references of “tape recording,” replace references of “tape” with “recording,” and replace references of “tape-recorded” with “recorded.”

Effective May 18, 2013.

Section 551.127

HB 2414 adds subsection (a-1) to provide that a member or employee of a governmental body may participate remotely in a meeting of the governmental body by means of a videoconference call if the video and audio feed of the member’s or employee’s participation, as applicable, is broadcast live at the meeting and complies with the provisions of this section.

The bill adds subsection (a-2) to provide that a member of a governmental body who participates in a meeting as provided by subsection (a-1) shall be counted as present at the meeting for all purposes.

The bill amends subsection (c) to provide that a meeting of a governmental body (rather than a state governmental body or a governmental body that extends into three or more counties) may be held by videoconference call only if:

- the governmental body makes available to the public at least one suitable physical space located in or within a reasonable



distance of the geographic jurisdiction, if any, of the governmental body that is equipped with videoconference equipment that provides an audio and video display, as well as a camera and microphone by which a member of the public can provide testimony or otherwise actively participate in the meeting,

- the member of the governmental body presiding over the meeting is present at that physical space, and
- any member of the public present at that physical space is provided the opportunity to participate in the meeting by means of a videoconference call in the same manner as a person who is physically present at a meeting of the governmental body that is not conducted by videoconference call.

SB 984 amends subsection (c) to modify provisions relating to a state governmental body or a governmental body that extends into three or more counties holding a meeting by videoconference to provide that a meeting may be held by videoconference call only if the member of the governmental body presiding over the meeting, rather than a majority of the quorum, is physically present at one location of the meeting and to provide that the meeting must be open to the public during the open portions of the meeting.

HB 2414 amends subsection (e) to provide that the notice of a meeting to be held by videoconference call must specify as a meeting location the location of the physical space described by subsection (c) (rather than the location as previously specified).

SB 984 amends subsection (e) to conform to changes in subsection (c) and to provide that the location where the member of the governmental body presiding over the meeting is physically present shall be open to the public during the open portions of the meeting. The bill strikes language that the notice of a meeting must specify as a location of the meeting each location where a member of the governmental body who will participate in the meeting will be physically present during the meeting.

The bill amends subsection (f) to provide that if a problem occurs that causes a meeting to no longer be visible and audible to the public at that location, the meeting must be recessed until the problem is resolved. If the problem is not resolved in six hours or less, the meeting must be adjourned.

HB 2414 amends subsection (h) to require that the physical location have two-way audio and video communication with each member who is participating by videoconference call during the entire meeting and that each participant in the videoconference call, while speaking, to be clearly visible and audible to each other participant and, during the open portion of the meeting, to the members of the public in attendance at the physical location described by subsection (e) and at any other location of the meeting that is open to the public.

SB 984 amends subsection (h) to modify the locations that must have two-way communication with each other location during the entire meeting to include the location specified under subsection (e) and each remote location from which a member of the governmental body participates.

HB 2414 amends subsection (j) to provide that the audio and video signals perceptible by members of the public at each location of the meeting described by subsection (h) must be of sufficient quality so that members of the public at each location can observe the demeanor and hear the voice of each participant in the open portion of the meeting.

Effective June 14, 2013, and applies only to an open meeting held on or after the effective date (HB 2414). Effective Sept. 1, 2013 (SB 984).

Section 551.1281

HB 31 adds this section, “Governing Board of General Academic Teaching Institution or University System: Internet Posting of Meeting Materials and Broadcast of Open Meeting,” to define “general academic teaching institution” and “university system” as having the meanings assigned by Education Code Section 61.003.

The bill requires the governing board of a general academic teaching institution or of a university system that includes one or more component general academic teaching institutions, for any regularly scheduled meeting of the governing board for which notice is required under Government Code Chapter 551, to:

- post on the website of the institution or university system, as applicable, as early as practicable in advance of the meeting any written agenda and related supplemental written materials provided in advance of the meeting to the governing board members,
- broadcast the meeting, other than any portions closed to the public as authorized by law, over the Internet in the manner prescribed by Government Code Section 551.128, and
- record the broadcast and make that recording publicly available in an online archive located on the institution’s or university system’s website.

The bill provides that subsection (b)(1) does not apply to written materials that the general counsel or other appropriate attorney for the institution or university system certifies are confidential or may be withheld from public disclosure under Government Code Chapter 552. The bill also provides that the governing board of a general academic teaching institution or of a university system is not required to comply with the requirements of the section if that compliance is not possible because of an act of God, force majeure, or a similar cause not reasonably within the governing board’s control.

Effective June 14, 2013, and applies only to a meeting of the governing board of a general academic teaching institution or of a state university system for which notice is given under Government Code Chapter 551 on or after Jan. 1, 2014.

Section 551.1282

HB 2668 adds this section, “Governing Board of Junior College District: Internet Posting of Meeting Materials and Broadcast of Open Meeting” which applies only to the governing board of



a junior college district with a total student enrollment of more than 20,000 in any semester of the preceding academic year. The bill provides that a governing board to which this section applies, for any regularly scheduled meeting of the governing board for which notice is required, shall:

- post as early as practicable in advance of the meeting on the website of the district any written agenda and related supplemental written materials (other than materials certified as confidential),
- broadcast the meeting, other than legally closed portions, over the Internet in the manner prescribed by Government Code Section 551.128 and
- record the broadcast and make that recording publicly available in an online archive located on the district's Internet website.

The bill provides that the governing board of a junior college district is not required to comply with the requirements of this section if that compliance is not possible because of an act of God, force majeure or a similar cause not reasonably within the governing board's control.

Effective June 14, 2013, but applies only to a meeting of the governing board of a junior college district for which notice is given under Government Code Chapter 551 on or after Jan. 1, 2014.

Section 551.130

HB 3357 amends subsection (e) to provide that the open portions of the meeting (a telephone conference call meeting of the Teachers Retirement System Board) must be audible to the public at the location where the quorum is present and be recorded (rather than tape-recorded) at that location.

The bill amends subsection (j) to provide that a person who is not a member of the board may speak at the meeting from a remote location by telephone conference call (rather than may not speak at the meeting from a remote location by telephone conference call, except as provided by Government Code Section 551.129).

Effective June 14, 2013.

SB 471 amends subsection (e) to replace references of "tape-recorded" with "recorded."

Effective May 18, 2013.

Section 551.131

SB 293 adds this section to authorize a water district, as defined, whose territory includes land in three or more counties to hold a meeting held by telephone conference call or video conference call under specified conditions. Those conditions are: if the meeting is a special called meeting and immediate action is required and the convening at one location of a quorum of the governing body of the applicable water district is difficult or impossible.

The bill provides that a meeting held by telephone conference call must otherwise comply with the procedures under Government Code Sections 551.125(c), (d), (e), and (f). A meeting held by video conference call is subject to the notice requirements applicable to other meetings. In addition, a meeting held by video conference call is required to be visible and audible to the public at the location specified in the notice of the meeting as the location of the meeting, be recorded by audio and video, and have two-way audio and video communications with each participant in the meeting during the entire meeting.

Effective May 10, 2013.

Sections 551.145 and 551.146

SB 471 amends these sections, including the headings, to strike "tape" from references of "tape recording."

Effective May 18, 2013.

Section 552.002

SB 1368 amends subsection (a) to modify the definition of "public information" to mean information that is written, produced, collected, assembled, or maintained under a law or ordinance or in connection with the transaction of official business by a governmental body; for a governmental body and the governmental body owns the information, has a right of access to the information, or spends or contributes public money for the purpose of writing, producing, collecting, assembling, or maintaining the information; or by an individual officer or employee of a governmental body in the officer's or employee's official capacity and the information pertains to official business of the governmental body.

The bill adds subsection (a-1) to provide that information is in connection with the transaction of official business if the information is created by, transmitted to, received by, or maintained by a governmental body officer or employee in the officer's or employee's official capacity, or a person or entity performing official business or a governmental function on behalf of a governmental body, and pertains to official business of the governmental body.

The bill adds subsection (a-2) to provide that the definition of "public information" provided by subsection (a) applies to and includes any electronic communication created, transmitted, received, or maintained on any device if the communication is in connection with the transaction of official business.

The bill amends subsection (b) to add to the list of media on which public information is recorded to include any physical material on which information may be recorded and to include other devices that can store an electronic signal.

The bill amends subsection (c) to add to the general forms in which media containing public information exist to include email, Internet posting, text message, instant message, or other electronic communication.

Effective Sept. 1, 2013.



Section 552.003

SB 1368 amends this section to define “official business” for Government Code Chapter 552, Public Information to mean any matter over which a governmental body has any authority, administrative duties, or advisory duties.

Effective Sept. 1, 2013.

Section 552.024

HB 2961 amends subsection (a) to create an exception as provided by subsection (a-1) to the requirement that each employee or official of a governmental body and each former employee official of a governmental body shall choose whether to allow public access to the information in the custody of the governmental body that relates to the person’s home address, home telephone number, emergency contact information, or social security number, or that reveals whether the person has family members.

The bill adds subsection (a-1) to prohibit a school district from requiring an employee or former employee of the district to choose whether to allow public access to the employee’s or former employee’s social security number.

Effective Sept. 1, 2013.

Section 552.1085

SB 1512 adds this section relating to the confidentiality of a sensitive crime image.

The bill adds subsection (a) to define “deceased person’s next of kin,” “defendant,” “expressive work,” “local governmental entity,” “public or private institution of higher education,” “sensitive crime scene image,” and “state agency.”

The bill adds subsection (b) to provide that for purposes of this section, a website, the primary function of which is not the delivery of news, information, current events, or other matters of public interest or concern, is not an expressive work.

The bill adds subsection (c) to provide that a sensitive crime scene image in the custody of a governmental body is confidential and excepted from the requirements of Government Code Section 552.021 and a governmental body may not permit a person to view or copy the image except as provided by this section. This section applies to any sensitive crime scene image regardless of the date that the image was taken or recorded.

The bill adds subsection (d) to specify, notwithstanding subsection (c) and subject to subsection (e), the persons authorized to view or copy information that constitutes a sensitive crime scene image from a governmental body.

The bill adds subsection (e) to provide that this section does not prohibit a governmental body from asserting an exception to disclosure of a sensitive crime scene image to a person identified in subsection (d) on the grounds that the image is excepted from the requirements of Government Code Section 552.021 under another provision of Government Code Chapter 552, Public Information or another law.

The bill adds subsection (f) to provide that not later than the 10th business day after the date a governmental body receives a request for a sensitive crime scene image from specified persons, the governmental body is required to notify the deceased person’s next of kin of the request in writing. The notice must be sent to the next of kin’s last known address.

The bill adds subsection (g) to provide that a governmental body that receives a request for information that constitutes a sensitive crime scene image is required to allow a person described in subsection (d) to view or copy the image not later than the 10th business day after the date the governmental body receives the request unless the governmental body files a request for an attorney general decision under Subchapter G, Attorney General Decisions regarding whether an exception to public disclosure applies to the information.

Effective Sept. 1, 2013, and applies only to the disclosure or copying of a sensitive crime scene image on or after that date.

Section 552.117

HB 2733 amends subsection (a) to add to the list of persons for whom information related to the home address, home telephone number, emergency contact information, social security number or that reveals whether the person has family members is excepted from the requirements of Government Code Section 552.021:

- a current or former employee of TJJD or of the predecessors in function of TJJD, regardless of whether the current or former employee complies with Government Code Section 552.1175,
- a juvenile probation or supervision officer certified by TJJD, or its predecessors in function, under Human Resources Code, Title 12 or
- employees of a juvenile justice program or facility, as those terms are defined by Family Code Section 261.405.

Effective Sept. 1, 2013.

Section 552.1175

HB 1632 amends the section heading to “Confidentiality of Certain Identifying Information of Peace Officers, County Jailers, Security Officers, Employees of the Texas Department of Criminal Justice or a Prosecutor’s Office, and Federal and State Judges.”

The bill amends subsection (a) and (b) to add federal and state judges as defined by Election Code Section 13.0021 to the list of individuals for whom certain specified information is confidential and may not be disclosed to the public if the individual chooses to restrict the information and notifies the governmental body of the individual’s choice on a form accompanied by evidence of the individual’s status. The bill also adds date of birth to the list of items that are confidential under the section.

Effective June 14, 2013.



HB 2733 amends the section heading to “Confidentiality of Certain Personal Information of Peace Officers, County Jailers, Security Officers, and Employees of Certain Criminal or Juvenile Justice Agencies or Offices.”

The bill amends subsection (a) to add to the list of persons to whom this section exclusively applies:

- juvenile probation and detention officers certified by TJJD or its predecessors in function under Human Resources Code, Title 12,
- employees of a juvenile justice program or facility as defined by Family Code Section 261.405 and
- current or former employees of TJJD or its predecessors in function.

Effective Sept. 1, 2013.

Section 552.130

SB 458 amends this section, relating to the confidentiality of certain motor vehicle records, to apply the pre-existing authorization of a governmental body to redact information disclosed under Government Code Section 552.021 without the necessity of requesting a decision from the attorney general to information described in subsection (a), rather than subsections (a)(1) and (3).

Effective May 18, 2013, and 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 552.138

HB 2725 amends the section heading to “Exception: Confidentiality of Family Violence Shelter Center, Victims of Trafficking Shelter Center, and Sexual Assault Program Information.”

The bill adds subdivision (3) to subsection (a) to provide that “victims of trafficking shelter center” means a:

- program that is operated by a public or private nonprofit organization and provides comprehensive residential and nonresidential services to persons who are victims of trafficking under Penal Code Section 20A.02, or
- defined child-placing agency that provides services to persons who are victims of trafficking as specified.

The bill amends subsection (b) to add information maintained by a victims of trafficking shelter center to the specified information that is excepted from the requirements of Government Code Section 552.021, relating to the availability of public information.

The bill amends subsection (c) to add specified information maintained by a victims of trafficking shelter center to the information that may be redacted by a governmental body without requesting a decision from the attorney general.

Effective June 14, 2013.

Section 552.147

HB 2961 amends subsection (a) to create an exception as provided by subsection (a-1) to the requirement that the social security number of a living person is excepted from the requirements of Government Code Section 552.021, Availability of Public Information but is not confidential under this section and this section does not make the social security number of a living person confidential under another provision of the law.

The bill adds subsection (a-1) to provide that the social security number of an employee of a school district in the custody of the district is confidential.

Effective Sept. 1, 2013.

Section 552.153

SB 211 amends subsection (b) to modify when information in the custody of a responsible governmental entity that relates to a proposal for a qualifying project authorized under Chapter 2267, Public and Private Facilities and Infrastructure is excepted from the requirements of Government Code Section 552.021 to include when the records are provided by a proposer to a responsible governmental entity or affected jurisdiction under Government Code Chapter 2267 and contain work product related to a competitive bid or proposal submitted by the proposer that, if made public before the execution of an interim or comprehensive agreement, would provide a competing proposer an unjust advantage or adversely affect the financial interest or bargaining position of the responsible governmental entity or the proposer.

The bill also replaces references to “contracting person” and “person” with “proposer.”

The bill adds subsection (d) to provide that in this section, “proposer” has the meaning assigned by Government Code Section 2267.001.

Effective June 14, 2013.

Section 552.3221

SB 983 adds this section relating to *in camera* inspection of information.

The bill adds subsection (a) to provide that in any suit filed under Government Code Chapter 552, Public Information, the information at issue may be filed with the court for *in camera* inspection as is necessary for the adjudication of the case.

The bill adds subsection (b) to provide that upon receipt of the information at issue for *in camera* inspection, the court is required to enter an order that prevents release to or access by any person other than the court, a reviewing court of appeals, or parties permitted to inspect the information pursuant to a protective order. The order is required to further note the filing date and time.

The bill adds subsection (c) to provide that the information at issue filed with the court for *in camera* inspection is required to be appended to the order and transmitted by the court to



the clerk for filing as “information at issue,” maintained in a sealed envelope or in a manner that precludes disclosure of the information, and transmitted by the clerk to any court of appeal as part of the clerk’s record.

The bill adds subsection (d) to provide that information filed with the court under this section does not constitute “court records” within the meaning of Rule 76a, Texas Rules of Civil Procedure, and shall not be made available by the clerk or any custodian of record for public inspection.

The bill adds subsection (e) to provide that for purposes of this section, “information at issue” is defined as information held by a governmental body that forms the basis of a suit under Government Code Chapter 552, Public Information.

Effective Sept. 1, 2013.

Section 609.006

SB 366 amends subsection (a) to modify a reference to designating or converting deferred amounts in a deferred compensation plan to the designation or converting all or a portion of deferred amounts as or to Roth contributions under Government Code Section 609.1025 or 609.5021, as applicable.

Effective May 18, 2013, but the Legislature validates an act taken before the effective date by a political subdivision to establish and administer a qualified Roth contribution program in accordance with Section 402A, Internal Revenue Code of 1986; a program in accordance with federal law under which an employee may designate or convert all or a portion of the employee’s contribution under a 457 plan as or to a Roth contribution at the time the contribution is made; or a loan program under a 457 plan. This does not apply to a matter that on the effective date is involved in litigation, if the litigation ultimately results in the matter being held invalid by a final court judgment; or has been held invalid by a final court judgment.

Section 609.1025

SB 366 adds this section to authorize a political subdivision to establish a qualified Roth contribution program in accordance with Section 402A, Internal Revenue Code of 1986, under which an employee may designate all or a portion of the employee’s contribution under a 401(k) plan as a Roth contribution at the time the contribution is made or convert all or a portion of the employee’s previous contribution under the plan to a Roth contribution.

The bill also authorizes a political subdivision, if authorized by federal law, to establish a program in accordance with the applicable federal law under which an employee may designate all or a portion of the employee’s contribution under a 457 plan as a Roth contribution at the time the contribution is made or convert all or a portion of the employee’s previous contribution under the plan to a Roth contribution.

Effective May 18, 2013, but the Legislature validates an act taken before the effective date by a political subdivision to establish and administer a qualified Roth contribution program in accordance

with Section 402A, Internal Revenue Code of 1986; a program in accordance with federal law under which an employee may designate or convert all or a portion of the employee’s contribution under a 457 plan as or to a Roth contribution at the time the contribution is made; or a loan program under a 457 plan. This does not apply to a matter that on the effective date is involved in litigation, if the litigation ultimately results in the matter being held invalid by a final court judgment; or has been held invalid by a final court judgment

Section 609.1175

SB 366 authorizes a plan administrator of a 457 plan to develop and implement procedures to efficiently administer a program under the plan that allows a qualified vendor to lend money to a participating employee.

Effective May 18, 2013, but the Legislature validates an act taken before the effective date by a political subdivision to establish and administer a qualified Roth contribution program in accordance with Section 402A, Internal Revenue Code of 1986; a program in accordance with federal law under which an employee may designate or convert all or a portion of the employee’s contribution under a 457 plan as or to a Roth contribution at the time the contribution is made; or a loan program under a 457 plan. This does not apply to a matter that on the effective date is involved in litigation, if the litigation ultimately results in the matter being held invalid by a final court judgment; or has been held invalid by a final court judgment.

Section 791.011

HB 1050 adds subsection (j) to define “purchasing cooperative” for the purposes of the subsection. The bill provides that a local government may not enter into a contract to purchase construction-related goods or services through a purchasing cooperative under Government Code Chapter 791, Interlocal Cooperation Contracts in an amount greater than \$50,000 unless a person designated by the local government makes a specified certification in writing. This certification is that the project for which the construction-related goods or services are being procured does not require the preparation of plans and specifications under Occupations Code Chapter 1001 or 1051, or the plans and specifications required under Occupations Code Chapter 1001 or 1051 have been prepared.

Effective Sept. 1, 2013, and applies only to a contract made on or after the effective date.

Section 801.001

HB 13 adds subdivisions (1-a), (3), and (4) to define “governing body of a public retirement system” as having the meaning assigned by Government Code Section 802.001, “system administrator” as a person designated by the governing body of a public retirement system to supervise the day-to-day affairs of the public retirement system and “trustee” as a member of the governing body of a public retirement system.

Effective May 24, 2013.



Section 801.209

HB 13 adds this section, relating to public system reports and information, to require PRB to:

- post on its website or a linked public website the most recent data from reports received under Government Code Sections 802.101, 802.103, 802.104, 802.105, and 802.108 for each public retirement system,
- post, on the 60th day after the date a report or information required by this Government Code Chapter 801 or 802 is due, a list of public retirement systems that have not submitted the required reports or information, and
- notify the governor and the LBB regarding any lack of timely submissions by specified statewide public retirement systems or to notify the governing body of the relevant political subdivision regarding any lack of timely submissions by a public retirement system that is not specified.

Effective May 24, 2013. The bill requires, by Sept. 1, 2014, PRB to conduct a study of the financial health of public retirement systems in this state and issue a report of its findings and recommendations. By Dec. 31, 2014, after each public retirement system has an opportunity to review and respond to the report, and after any PRB revisions, PRB must submit the final report to the Legislature along with a copy of any written responses from public retirement systems.

Section 801.210

HB 13 adds this section, relating to model ethical standards and conflict of interest policies, to require the PRB to develop and make reasonably available on its' website PRB model ethical standards and model conflict of interest policies, including disclosure requirements for voluntary use by a public retirement system. The bill also provides that a public retirement system is not required to adopt a standard or policy based on the model developed under this section.

Effective May 24, 2013. As soon as practicable after the effective date, but not later than Dec. 31, 2013 PRB is required to develop and publish the model ethical standards and conflict of interest policies required by this section.

Section 801.211

HB 13 adds this section, relating to public retirement system education training program, to set forth provisions for PRB to develop and administer an educational training program for trustees and system administrators. PRB must report the level of compliance in the biennial report required by Government Code Section 801.203. The bill authorizes PRB to adopt rules and appropriate fees to administer and provide educational training programs under this section.

The bill allows a public retirement system to provide its own educational training as specified and a trustee or system

administrator who participates in that training fulfills the minimum training requirements established by PRB.

Effective May 24, 2013. As soon as practicable, but not later than necessary to begin providing training classes on or before Sept. 1, 2014, PRB is required to adopt rules to implement this section. For purposes of reporting the level of compliance with the minimum training requirements of the educational training program as required by Government Code Section 801.211(b), PRB may only evaluate compliance with the minimum training requirements by trustees and administrators of public retirement systems on or after Jan. 1, 2015.

Section 802.001

HB 13 adds subdivision (4) to define “system administrator” as a person designated by the governing body of a public retirement system to supervise the day-to-day affairs of the public retirement system.

Effective May 24, 2013.

Section 802.107

HB 13 renames the section as “General Provisions Relating to Reports and Contact Information.”

The bill adds subsection (c) to require a public retirement system to post specified contact information and reports on a publicly available website.

The bill adds subsection (d) to require a public retirement system that maintains a website or for which a website is maintained to prominently post a link to the information required by subsection (c). The bill requires all other public retirement systems to post the information required by subsection (c) on other specified websites.

The bill adds subsection (e) to require that any report or other information posted under subsection (c) remain posted until replaced with a more recently submitted edition of the report or information.

Effective May 24, 2013. The bill requires by Sept. 1, 2014 the PRB to conduct a study of the financial health of public retirement systems in this state and issue a report of its findings and recommendations. By Dec. 31, 2014, after each public retirement system has an opportunity to review and respond to the report, and after any PRB revisions, PRB must submit the final report to the Legislature along with a copy of any written responses from public retirement systems.

Section 802.108

HB 13 adds this section, relating to the report of investment returns and assumptions, to:

- require a public retirement system, before the 211th day after the last day of its fiscal year, to submit to PRB an investment returns and actuarial assumptions report that includes specified items,



- define “net investment return” for the purposes of this section as the gross investment return minus investment expenses,
- provide that the net investment return may be calculated as the money-weighted rate of return as required by generally accepted accounting principles,
- provide that the period basis for each report of investment returns must be the fiscal year of the public retirement system submitting the report, and
- provide that, if any information required to be reported by subsection (a) is unavailable, a public retirement system is required to submit to PRB by a specified deadline a letter certifying that the information is unavailable, providing a reason for its unavailability and agreeing to timely submit the information to PRB if it becomes available.

Effective May 24, 2013. The bill requires, by Sept. 1, 2014, PRB to conduct a study of the financial health of public retirement systems in this state and issue a report of its findings and recommendations. By Dec. 31, 2014, after each public retirement system has an opportunity to review and respond to the report, and after any PRB revisions, PRB must submit the final report to the Legislature along with a copy of any written responses from public retirement systems.

Sections 2003.901, 2003.902, 2003.904, 2003.908, 2003.909, 2003.915, and 2003.916

(Subchapter Z)

HB 316 amends the heading of this subchapter to “Appeals from Appraisal Review Board Determinations.”

The bill renames the heading of Section 2003.901 to “Appeals from Appraisal Review Board Determinations.” The bill amends subsection (a) and strikes subsections (b) and (c) to delete language referencing the pilot program.

The bill renames the heading of Section 2003.902 to “Participating Offices and Remote Hearing Sites.” The bill strikes a list of counties that implemented the pilot program for a specified time period and replaces it with a list of cities in which SOAH is required to hear appeals filed under this subchapter. These cities are Amarillo, Austin, Beaumont, Corpus Christi, El Paso, Fort Worth, Houston, Lubbock, Lufkin, McAllen, Midland, San Antonio, Tyler, and Wichita Falls.

The bill amends Section 2003.904 to strike the applicability of the pilot program and to provide that the subchapter applies only to an appeal of a determination of the appraised or market value made by an ARB in connection with real or personal property, other than industrial property. The bill strikes language that this subchapter does not apply to mineral appeals.

The bill amends Section 2003.908 to strike language that referred to ARBs of CADs established in a specified list of counties that the bill deleted.

The bill amends the heading of Section 2003.909 to “Designation of Administrative Law Judge, Location of Hearing.” The bill adds subsection (b-1) to this section to

provide that if all or part of a property that is the subject of the appeal is located in a city listed in Government Code Section 2003.902, the administrative law judge is required to set the hearing in that city. If no part of the property that is the subject of the appeal is located in a city listed as specified, the administrative law judge is required to set the hearing in the listed city that is nearest to the subject property. The bill amends subsection (c) of this section to strike language that a hearing must be held in a building or facility located in the county in which the applicable CAD is established. The bill provides that if SOAH does not own or lease a building or facility in the city in which a hearing is required to be held, the hearing may be held in any public or privately owned building or facility in that city, preferably a building or facility in which SOAH regularly conducts business.

The bill repeals Sections 2003.915 and 2003.916 relating to reporting requirements of the pilot program and the sunset date of the subchapter.

Effective Jan. 1, 2014, and applies only to an appeal filed under Subchapter Z, Chapter 2003, Government Code, on or after the effective date.

Sections 2054.375, 2054.376, 2054.3771, 2054.378, 2054.380, 2054.3851, and 2054.387

(Subchapter L, Statewide Technology Centers)

SB 866 amends this subchapter to add the definition of “governmental entity.” The bill amends the application of the subchapter to include all information resources technologies (other than telecommunications service), advanced communications services, or information service, as defined, that are obtained by a state agency using state money, used by a state agency, or used by a participating local government.

The bill authorizes DIR to establish or expand a statewide technology center to include participation by a local government. The executive director and DIR have all the powers necessary or appropriate, consistent as specified, to accomplish that purpose. The bill modifies DIR’s authorization to operate statewide technology centers to include providing services relating to the deployment, development, and maintenance of software applications.

The bill authorizes local governments to submit a request to DIR to receive services or operations through a statewide technology center. The bill provides procedures for submitting requests, DIR analyzing requests, selecting local governments for participation, providing notice of services and costs, contracting with participating local governments, providing for local governments that are parties to an interlocal agreement to make a request, and complying with service levels.

Effective May 18, 2013.



Section 2252.002

HB 1050 amends the section to prohibit a governmental entity from awarding a governmental contract to a nonresident bidder in a specified situation.

Effective Sept. 1, 2013, and applies only to a contract made after the effective date.

Section 2252.907

SB 1368 adds this section relating to contracts involving the exchange or creation of public information.

The bill adds subsection (a) to specify the content of a contract between a state governmental entity and a nongovernmental vendor involving the exchange or creation of public information as defined by Government Code Section 552.002 that the state governmental entity collects, assembles, or maintains or to which it has a right of access. The bill provides that a contract must be drafted in consideration of the requirements of Government Code Chapter 552, Public Information and contain a provision that requires the vendor to make the information not otherwise excepted from disclosure under Government Code Chapter 552 available in a specific format that is agreed upon in the contract and accessible by the public.

The bill adds subsection (b) to provide that this section may not be waived by contract or otherwise.

The bill adds subsection (c) to provide that a request for public information regarding a contract described by this section must be submitted to the officer or employee responsible for responding to open records requests for the state governmental entity that executed the contract.

The bill adds subsection (d) to provide a definition of “state governmental entity” for this section.

Effective Sept. 1, 2013, and applies only to a contract for which a state governmental entity first advertises or otherwise solicits bids, proposals, offers, or qualifications on or after the effective date.

Section 2257.045

SB 581 adds subsection (a) from pre-existing language.

The bill adds subsection (b) to provide that for a deposit of public funds under Subchapter F, Pooled Collateral to Secure Deposits of Certain Public Funds, the custodian is required to issue and deliver to the Comptroller a trust receipt for the pledged security.

The bill adds subsection (c) from pre-existing language and provides that for any other deposit of public funds under Government Code Chapter 2257, Collateral for Public Funds, at the written direction of the appropriate public entity officer, the custodian is required to issue and deliver a trust receipt for the pledged security to either the appropriate public entity officer or to the public entity’s depository and instruct the depository to deliver the trust receipt to the public entity officer immediately.

The bill adds subsection (d) to require the custodian to issue and deliver the trust receipt as soon as practicable on the same business day on which the investment security is received.

Effective June 14, 2013.

Section 2257.046

SB 581 adds subsection (d) to provide that at the request of the appropriate public entity officer, the public entity’s custodian is required to provide a current list of all pledged investment securities. For each pledged investment security, the list must include the name of the public entity, date the security was pledged to secure the public entity’s deposit, Committee on Uniform Security Identification Procedures (CUSIP) number of the security, face value and maturity date of the security, and the confirmation number on the trust receipt issued by the custodian.

Effective June 14, 2013.

Section 2267.353

HB 1050 amends subsection (b) to provide that for purposes of this subsection if a metropolitan transit authority created under Transportation Code Chapter 451 enters into a contract for a project involving a linear transit project with multiple stops along the project route for boarding passengers (rather than a bus rapid transit system), created under Transportation Code Chapter 451, the linear transit project (rather than the bus rapid transit system) is a single integrated project.

The bill repeals subsection (d) relating to a governmental entity making a formal finding on described criteria before preparing a request for qualifications.

Effective Sept. 1, 2013.

Section 2267.354

HB 1050 amends the section to provide that after Aug. 31, 2013 (rather than other specified periods):

- a governmental entity with a population of 500,000 or more within the entity’s geographic boundary or service area may, under Subchapter A, Chapter 2267, Government Code, enter into contracts for not more than six (rather than three) projects in any fiscal year,
- a city owned water utility with a separate governing board appointed by the governing body of a city with a population of 500,000 or more may independently enter into contracts for not more than two (rather than one) civil works projects in any fiscal year, and
- a governmental entity that has a population of 100,000 or more but less than 500,000 or is a board of trustees governed by Chapter 54, Transportation Code, may enter into contracts under Subchapter A, Chapter 2267, Government Code for not more than four (rather than two) projects in any fiscal year.

The bill appropriately redesignates subsections.

Effective Sept. 1, 2013.



Section 2267.3615

HB 1050 adds this section, “Identification of Project Team,” to provide that a governmental entity may require a design-build firm responding to a request for detailed proposals to identify companies that will fill key project roles and serve as key task leaders as provided. The bill also provides that if a design-build firm required to identify companies is selected for a design-build agreement, the firm may not make changes to

the identified companies, with specified exceptions, but if the design-build firm makes such changes any cost savings resulting from the change accrue to the governmental entity and not to the design-build firm.

Effective Sept. 1, 2013, and 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.

Health and Safety Code

Section 388.005

SB 902 adds subsection (g) to provide that, except as provided by subsection (h), this section does not apply to the electricity consumption of a district as defined by Water Code Section 36.001 or 49.001 that relates to the operation and maintenance of facilities or improvements for wastewater collection and treatment, water supply and distribution, or storm water diversion, detention, or pumping.

The bill adds subsection (h) to provide that at least once every five years, a political subdivision that is a district as defined by Water Code Section 36.001 or 49.001 is required for district facilities described by subsection (g) to evaluate the consumption of electricity, establish goals to reduce the consumption of electricity, and identify and implement cost-effective energy efficiency measures to reduce the consumption of electricity.

Effective Sept. 1, 2013.

Section 775.022

SB 1596 amends subsection (a) to provide that if a city completes all other procedures necessary to annex territory in an emergency services district and if the city intends to remove the territory from the district and be the sole provider of emergency services to the territory by the use of city personnel or by some method other than by use of the district, the city is required to send written notice of those facts to board of emergency services commissioners. This subsection does not require a city to remove from a district territory the city has annexed.

The bill modifies subsection (c) to replace the language that a city annexes territory from an emergency services district with language that a city removes territory from a district that the city has annexed.

Effective Sept. 1, 2013.

Section 775.045

SB 1596 adds this section relating to applicability of certain laws.

The bill adds subsection (a) to provide that except as provided by subsection (b) and notwithstanding any other law, Occupations Code Section 1301.551(i) applies to an emergency services district as if the district were a city and Local Government Code

Section 233.062 applies to an emergency services district as if the district were in an unincorporated area of a county.

The bill adds subsection (b) to provide that subsection (a) does not apply to an emergency services district that before Feb. 1, 2013, has adopted a fire code, fire code amendments, or other requirements in conflict with subsection (a) and whose territory is located in or adjacent to a general law city with a population of less than 4,000 that is served by a water control and improvement district governed by Water Code Chapter 51 and in a county that has a population of more than one million and is adjacent to a county with a population of more than 420,000.

Effective Sept. 1, 2013.

Sections 775.301, 775.302, 775.303, 775.304, 775.305, and 775.306

(Subchapter K, Districts In Certain Counties)

SB 332 adds this subchapter which applies only to an emergency services district that is located wholly in a county that borders the United Mexican States, that has a population of more than 800,000, and for which the commissioners court appoints a board of emergency services commissioners under Health and Safety Code Section 775.034. This subchapter controls over a provision of this chapter or other law to the extent of a conflict.

The bill authorizes a commissioners court to adopt a resolution to delegate to the emergency services district board a duty assigned to the commissioners court under this subchapter or to waive a requirement in this subchapter that the commissioners court approve an action of a district.

The bill authorizes the commissioners court to establish policies and procedures relating to property, facilities, and equipment with which the emergency services district board must comply, including any required periodic reports, maximum dollar amounts for transactions and transaction types, and a primary contact between commissioners court and the board. This includes policies and procedures for providing services through and using public funds for a volunteer fire department or emergency service provider. This does not authorize the commissioners court or the board to use real or personal property, a property right, equipment, a facility, or a system to provide a telecommunications service, advanced communications



service, or information service as defined by 47 U.S.C. Section 153, or a video service as defined by Utilities Code Section 66.002.

The bill authorizes a commissioners court to establish a schedule for an emergency services district to prepare an annual budget, tax rate calculations and notices, and a recommended tax rate and to submit the budget, calculations, notices, and recommendation to the commissioners court for final approval. The schedule must take into account requirements of Health and Safety Code Chapter 775, Emergency Services Districts; Tax Code Chapter 26; and Section 21, Article VIII, Texas Constitution, applicable to adopting a district tax rate and provide the commissioners court a reasonable amount of time to review the required submissions. The board is required to prepare an annual budget and submit the budget to the commissioners court for final approval according to this schedule and submit to the commissioners court and the county auditor tax rate calculations and notices and a recommended tax rate

according to this schedule. If the commissioners court does not approve or deny the submitted budget before the 31st day after submission, the commissioners court is considered to have approved the budget. If the commissioners court does not approve or deny a recommended tax rate before the 31st day after the date of submission, the commissioners court is considered to have approved the recommended tax rate and that rate is the rate for the year in which the rate is recommended.

The bill provides for the emergency services district board to encourage and promote participation by all sectors of the business community (including small businesses and businesses owned by members of a minority group or by women) in the process by which the district enters into contracts and develop a plan to identify and remove barriers that unfairly discriminate against small businesses and businesses owned by members of a minority group or by women.

Effective Sept. 1, 2013, except Health and Safety Code Section 775.305, related to the budget, is effective Jan. 1, 2014.

Insurance Code

Section 2201.251

SB 1125 amends subsection (c) to provide that notwithstanding any other provision of the Insurance Code, a purchasing group composed primarily of employees of a political subdivision (including a county, city, or school district) may purchase first-party indemnity coverage, in addition to the liability coverage described in subsection (a)(3), on a group basis for other risks to which members may be exposed provided that the aggregate coverage limit per group member for the risk does not exceed three percent of the per member coverage limit for liability coverage.

The bill adds subsection (d) to require a purchasing group to notify the Commissioner of Insurance of the group's intent to purchase coverage described by subsection (c) not later than the 60th day before the date the policy that includes the coverage is initially issued.

The bill adds subsection (e) to provide that subsection (d) does not apply to a purchasing group described in subsection (c) that was providing to its members coverage described by subsection (c) on Jan. 1, 2013, and has continued to provide that coverage without lapse.

Effective Sept. 1, 2013.

Local Government Code

Section 43.056

SB 1596 amends subsection (f) to prohibit a service plan by a city proposing annexation from providing services in the area in a manner that would have the effect of reducing by more than a negligible amount the level of fire and police protection and emergency medical services provided within the area before annexation. The bill also prohibits a service plan from causing a reduction in fire and police protection and emergency medical services within the area to be annexed below that of areas within the corporate boundaries of the city with similar topography, land use, and population density.

The bill adds subsection (p) to specify content in a service plan of a city that has adopted Local Government Code Chapter 143 and directly employs firefighters, that includes the provision of services to an area that, at the time the service plan is adopted, and is located in the territory of an emergency services district. The service plan must require the city's fire department to provide initial response to the annexed territory that is equivalent

to that provided to other areas within the corporate boundaries of the city with similar topography, land use, and population density; may not provide for city fire services to the annexed area solely or primarily by means of an automatic aid or mutual aid agreement with the affected emergency services district or other third-party provider of services; and may authorize the emergency services district to provide supplemental fire and emergency medical services to the annexed area by means of an automatic aid or mutual aid agreement. This subsection applies only to a city in a county with a population of more than one million and less than 1.5 million.

The bill adds subsection (q) to provide that Local Government Code Chapter 43, Municipal Annexation does not affect the obligation of a city that has adopted Local Government Chapter 143 to provide police, fire, or emergency medical services within the city's corporate boundaries by means of personnel classified in accordance with that chapter.

Effective Sept. 1, 2013.



Section 88.008

SB 265 amends the heading of Government Code Chapter 88 to “Official Bonds of Certain County Officers and Employees” and adds this section, relating to self-insurance of bond, to provide that subject to certain conditions, a county officer or employee is not required to execute a bond and may perform the duties of office or employment, notwithstanding any other law as specified. The conditions are that a commissioners court by order authorizes the county to self-insure against losses that would have been covered by the bond and the county judge approves the adopted order, if the county judge was required to approve the bond under the other law. An order adopted by the commissioners court is required to be kept and recorded by the county clerk.

Effective May 18, 2013.

Section 102.007

SB 656 amends subsection (a) to provide that a vote to adopt the city budget must be a record vote.

The bill adds subsection (d) to provide that an adopted budget must contain a cover page that includes one of the prescribed statements in 18-point or larger type that accurately describes the adopted budget; the record vote of each member of the governing body by name voting on the adoption of the budget; the city property tax rates for the preceding fiscal year, and each city property tax rate that has been adopted or calculated for the current fiscal year as required; and the total amount of city debt obligations.

The bill adds subsection (e) to provide that in this section, “debt obligation” means an issued public security as defined by Government Code Section 1201.002 secured by property taxes.

Effective Sept. 1, 2013, and applies only to a budget adopted for a fiscal year beginning on or after the effective date.

Section 102.008

SB 656 adds subsection (a) from pre-existing language to require a city that maintains a website to ensure a copy of the budget, including the cover page, is posted on the website and to ensure the record vote as described is posted on the website at least until the first anniversary of the date the budget is adopted.

The bill adds subsection (b) to require the governing body to take action to ensure that the cover page of the budget is amended to include the property tax rates as required for the current fiscal year if the rates are not included on the cover page when the budget is filed with the city clerk. The governing body is required to file an amended cover page with the city clerk and take action to ensure that the amended cover page is posted on the city’s website.

Effective Sept. 1, 2013, and applies only to a budget adopted for a fiscal year beginning on or after the effective date.

Section 111.008

SB 656 amends subsection (a) to provide that a vote to adopt the county budget must be a record vote.

The bill adds subsection (d) provide that an adopted budget must contain a cover page that includes one of the prescribed statements in 18-point or larger type that accurately describes the adopted budget; the record vote of each member of the commissioners court by name voting on the adoption of the budget; the county property tax rates for the preceding fiscal year, and each county property tax rate that has been adopted or calculated for the current fiscal year; and the total amount of county debt obligations.

The bill adds subsection to provide that in this section, “debt obligation” means an issued public security as defined by Government Code Section 1201.002 secured by property taxes.

Effective Sept. 1, 2013, and applies only to a budget adopted for a fiscal year beginning on or after the effective date.

Section 111.009

SB 656 adds subsection (a) from pre-existing language to require that a county that maintains a website to post on its website a copy of the budget, including the cover page, and the record vote as described until the first anniversary of the date the budget is adopted.

The bill adds subsection (b) to require the commissioners court to take action to ensure that the cover page of the budget is amended to include the property tax rates as required for the current fiscal year if the rates are not included on the cover page when the budget is filed with the county clerk. The commissioners court is required to file an amended cover page with the county clerk and take action to ensure that the amended cover page is posted on the county’s website.

Effective Sept. 1, 2013, and applies only to a budget adopted for a fiscal year beginning on or after the effective date.

Section 111.039

SB 656 amends subsection (a) to provide that a vote to adopt the county budget must be a record vote.

The bill adds subsection (d) to provide that an adopted budget must contain a cover page that includes one of the prescribed statements in 18-point or larger type that accurately describes the adopted budget; the record vote of each member of the commissioners court by name voting on the adoption of the budget; the county property tax rates for the preceding fiscal year, and each county property tax rate that has been adopted or calculated for the current fiscal year; and the total amount of county debt obligations.

The bill adds subsection (e) to provide that in this section, “debt obligation” means an issued public security as defined



by Government Code Section 1201.002 secured by property taxes.

Effective Sept. 1, 2013, and applies only to a budget adopted for a fiscal year beginning on or after the effective date.

Section 111.040

SB 656 adds subsection (a) from pre-existing language to require a county that maintains a website to ensure a copy of the budget, including the cover page, is posted on the website and the record vote described by Local Government Code Section 111.039(d)(2) is posted on the website at least until the first anniversary of the date the budget is adopted.

The bill adds subsection (b) to require the commissioners court to take action to ensure that the cover page of the budget is amended to include the property tax rates as required for the current fiscal year if the rates are not included on the cover page when the budget is filed with the county clerk. The commissioners court is required to file an amended cover page with the county clerk and take action to ensure that the amended cover page is posted on the county's website.

Effective Sept. 1, 2013, and applies only to a budget adopted for a fiscal year beginning on or after the effective date.

Section 111.068

SB 656 amends subsection (a) to provide that a vote to adopt the county budget must be a record vote.

The bill adds subsection (c) to provide that an adopted budget must contain a cover page that includes one of the prescribed statements in 18-point or larger type that accurately describes the adopted budget; the record vote of each member of the commissioners court by name voting on the adoption of the budget; the county property tax rates for the preceding fiscal year, and each county property tax rate that has been adopted or calculated for the current fiscal year; and the total amount of county debt obligations.

The bill adds subsection (d) to provide that in this section, "debt obligation" means an issued public security as defined by Government Code Section 1201.002 secured by property taxes.

Effective Sept. 1, 2013, and applies only to a budget adopted for a fiscal year beginning on or after the effective date.

Section 111.069

SB 656 adds subsection (a) from pre-existing language to require a county that maintains a website to ensure a copy of the budget, including the cover page, is posted on the website and the record vote described by Local Government Code Section 111.068(c)(2) is posted on the website at least until the first anniversary of the date the budget is adopted.

The bill adds subsection (b) to require the commissioners court to take action to ensure that the cover page of the budget is amended to include the property tax rates required by Local

Government Code Section 111.068(c)(3) for the current fiscal year if the rates are not included on the cover page when the budget is filed with the county clerk. The commissioners court is required to file an amended cover page with the county clerk and take action to ensure that the amended cover page is posted on the county's website.

Effective Sept. 1, 2013, and applies only to a budget adopted for a fiscal year beginning on or after the effective date.

Section 140.009

HB 2021 adds this section, "Contract for Collection of Amounts in Civil Cases," to permit the governing body of a city or the commissioners court of a county to contract with a private attorney or public or private vendor for the collection of an amount owed to the city or county relating to a civil case, including an unpaid fine, fee, or court cost, if the amount is more than 60 days overdue. The bill also permits a city or county to authorize the addition of a collection fee of 30 percent of the amount referred, which may be used only to compensate the attorney or vendor who collects the debt. The bill provides that this section does not apply to the collection of commercial bail bonds.

Effective June 14, 2013.

Section 140.010

SB 1510 adds this section relating to the proposed property tax rate notice for counties and cities.

The bill adds subsection (a) to provide that in this section "effective tax rate" and "rollback tax rate" mean the effective tax rate and rollback tax rate of a county or city, as applicable, as calculated under Tax Code Chapter 26.

The bill adds subsection (b) to provide that except as provided by this subsection, each county and city is required to provide notice of the county's or city's proposed property tax rate in the manner provided by this section. A county or city to which Tax Code Section 26.052, relating to a simplified tax rate notice for taxing units with low tax levies, applies may provide notice of the county's or city's proposed property tax rate in the manner provided by this section or in the manner provided by Tax Code Section 26.052.

The bill adds subsection (c) to provide that a county or city that provides notice of the county's or city's proposed property tax rate in the manner provided by this section is exempt from the notice and publication requirements of Tax Code Sections 26.04(e), 26.052, and 26.06, as applicable, and is not subject to an injunction for failure to comply with those requirements.

The bill adds subsection (d) to provide that a county or city that proposes a property tax rate that does not exceed the lower of the effective tax rate or the rollback tax rate is required to provide a notice as prescribed.

The bill adds subsection (e) to provide that a county or city that proposes a property tax rate that exceeds the lower of the



effective tax rate or the rollback tax rate is required to provide a prescribed notice.

The bill adds subsection (f) to require a county or city to provide the notice required by subsection (d) or (e), as applicable, not later than Sept. 1 by either publishing the notice in a newspaper having general circulation, as specified, or mailing the notice to each property owner, as described. The bill requires a county or city to post the notice on website of the county or city, if applicable, beginning not later than Sept. 1 and continuing until the county or city adopts a tax rate.

The bill adds subsection (g) to provide that if the notice required by subsection (d) or (e) is published in a newspaper the notice may not be smaller than one-quarter page of a standard-size or a tabloid-size newspaper and the headline on the notice must be in 24-point or larger type.

The bill adds subsection (h) to provide that a county or city that provides notice under this section is required, on request, to provide any information described by Tax Code Sections 26.04(e)(1)-(7), regarding the county or city, as applicable.

Effective Jan. 1, 2014, and applies only to a tax year that begins on or after the effective date.

Section 154.025

SB 382 amends subsection (a) to provide that the term “debt” includes delinquent property taxes whether reduced to judgment or not.

Effective June 14, 2013, and applies only to debt for which a notice of indebtedness is filed under Local Government Code Section 154.025(b) on or after the effective date.

Section 154.045

SB 382 amends subsection (a) to provide that the term “debt” includes delinquent property taxes whether reduced to judgment or not.

Effective June 14, 2013, and applies only to debt for which a notice of indebtedness is filed under Local Government Code Section 154.045 (b) on or after the effective date.

Section 180.007

HB 483 adds this section to provide that a political subdivision may not pay an employee or former employee more than an amount owed under a contract with the employee unless the political subdivision holds at least one public hearing under this section. The bill requires notice of the hearing in accordance with notice of a public meeting under Government Code Subchapter C, Chapter 551. The bill requires that the governing body of the political subdivision must state at the public hearing:

- the reason for and public purpose served by the payment in excess of the contractual amount, and

- the exact amount, source and terms for excess payment distribution that effect and maintain the public purpose to be served by making the excess payment.

Effective June 14, 2013, and applies only to a payment made by a political subdivision on or after the effective date.

Section 191.001

HB 1728 amends subsection (b) to provide that a county clerk may affix the county court seal on an original document by stamp, electronic means, facsimile or other means that legibly reproduces all of the required elements of the seal for the purposes of reproduction.

Effective June 14, 2013.

Section 232.009

SB 552 amends subsection (c) to provide an exception as provided by subsection (c-1) to the requirement that the commissioners court publish a notice of the application to revise a subdivision plat in a newspaper of general circulation in the county. This requirement applies to real property located outside cities and the extraterritorial jurisdiction of cities with a population of 1.5 million or more.

The bill adds subsection (c-1) to provide that when the commissioners court determines that a revision to a subdivision plat does not affect a public interest or public property of any type (including, but not limited to, a park, school, or road), the notice requirements under subsection (c) do not apply to the application. If the commissioners court makes this determination, then the commissioners court is required to provide written notice of the application to the owners of the lots that are within 200 feet of the subdivision plat to be revised (as indicated in the most recent records of the central appraisal district of the county in which the lots are located) and to post notice of the application continuously on the county website, if the county maintains a website, for at least 30 days preceding the date of the meeting to consider the application until the day after the meeting.

The bill adds subsection (g) to authorize the commissioners court to impose a fee for filing an application under this section. The amount of the fee must be based on the cost of processing the application, including publishing the notices required under subsection (c) or (c-1).

Effective June 14, 2013, and applies only to an application filed on or after the effective date.

Section 232.041

SB 552 amends subsection (b) to provide an exception as provided by subsection (b-1) to the requirement that the commissioners court is required publish a notice of the application to revise a subdivision plat in a newspaper of general circulation in the county.



The bill adds subsection (b-1) to provide that when the commissioners court determines that a revision to a subdivision plat does not affect a public interest or public property of any type (including, but not limited to, a park, school, or road), the notice requirements under subsection (b) do not apply to the application. If the commissioners court makes this determination, then the commissioners court is required to provide written notice of the application to the owners of the lots that are within 200 feet of the subdivision plat to be revised (as indicated in the most recent records of the central appraisal district of the county in which the lots are located) and to post notice of the application continuously on the county website, if the county maintains a website, for at least 30 days preceding the date of the meeting to consider the application until the day after the meeting.

The bill adds subsection (e) to authorize the commissioners court to impose a fee for filing an application under this section. The amount of the fee must be based on the cost of processing the application, including publishing the notices required under subsection (b) or (b-1).

Effective June 14, 2013, and applies only to an application filed on or after the effective date.

Section 252.048

HB 1050 amends subsection (c-1) to provide that if a change order for a public works contract in a city with a population of 300,000 or more (rather than 500,000 or more) involves a decrease or an increase of \$100,000 or less, or a lesser amount as provided by ordinance, the governing body of the city may grant general authority to an administrative official of the city to approve the change order.

Effective Sept. 1, 2013.

Section 334.024

SB 169 amends subsection (c) to modify the ballot language for an election held to authorize a city or county to finance a venue project to include language whether the election is being held to impose a new tax or authorize the use of the existing tax.

Effective Sept. 1, 2013, and applies only to a ballot for an election ordered on or after the effective date.

Section 373A.051

HB 3350 amends subsection (a) to provide that the governing body of a city by ordinance may designate as a homestead preservation district an area in the city that is eligible under Local Government Code Section 373A.052 to promote and expand the ownership and rental of affordable housing (rather than just ownership of affordable housing) and to prevent the involuntary loss of homesteads by homeowners and renters (rather than just homeowners).

Effective Sept. 1, 2013.

Section 373A.052

HB 3350 amends subsection (a) to require that to be designated as a homestead preservation district within a city described by Local Government Code Section 373A.003(a) an area must be composed of census tracts forming a spatially compact area (rather than a spatially compact area contiguous to a central business district) with:

- fewer than 75,000 residents (rather than fewer than 25,000 residents, fewer than 8,000 households, a number of owner occupied households that does not exceed 50 percent of the total households in the area, housing stock at least 55 percent of which was built at least 45 years ago and an unemployment rate that is greater than 10 percent),
- an overall poverty rate that is at least two times the poverty rate for the entire city, and
- in each census tract within the area, a median family income that is less than 80 (rather than 60) percent of the median family income for the entire city.

Effective Sept. 1, 2013.

Section 373A.152

HB 3350 adds subsection (b) to provide that a county may participate in a homestead preservation reinvestment zone established by a city under Local Government Code Section 373A.152(a) by adopting a final order:

- agreeing to the creation of the zone, the zone boundaries and the zone termination date specified by the city under Local Government Code Section 373A.1521(1), and
- specifying an amount of tax increment to be deposited by the county into the tax increment fund that is equal to the amount of the tax increment specified by the city under Local Government Code Section 373A.1521(3).

Effective Sept. 1, 2013.

Section 373A.1522

HB 3350 amends the section to provide that the homestead preservation reinvestment zone designated by the ordinance adopted under Local Government Code Section 373A.1521 takes effect on the date designated by the city in the ordinance adopted under that section (rather than the date on which the county adopts a final order that meets previously specified requirements).

Effective Sept. 1, 2013.

Section 373A.155

HB 3350 amends subsection (b) to provide that if a county elects to participate in a homestead preservation reinvestment zone, the county shall pay (rather than the county shall pay) into the tax increment fund for the zone an amount equal to the tax increment paid by the city as specified in the order



adopted under Local Government Code Section 373A.152 (rather than Local Government Code Section 373A.1522.)

Effective Sept. 1, 2013.

Section 373A.158

HB 3350 amends subsection (a) to provide that if a county elects to participate in a homestead preservation reinvestment zone, the county is the only taxing unit entitled to receive the annual report prepared under Tax Code Section 311.016(a) (rather than the county is the only taxing unit entitled to receive the annual report prepared under Tax Code Section 311.016(a)).

Effective Sept. 1, 2013.

Section 374.902

HB 139 amends subsection (b) to provide that a county with a population of more than 250,000 and located along an international border, rather than just a county with a population of more than 1.3 million, may exercise the powers provided for cities under Local Government Code Chapter 374, Urban Renewal in Municipalities with respect to areas of the county that are not within the corporate boundaries of a city. The bill also provides that a county with a population of more than 250,000 and located along an international border may exercise the powers provided for cities under Local Government Code Chapter 374 with respect to areas of the county located within the corporate boundaries of a city, if the city approves the county's participation in an urban renewal project through an interlocal agreement under Government Code Chapter 791.

Effective June 14, 2013.

Section 375.161

SB 902 amends this section to create subsection (a) from pre-existing language and to provide an exception as provided by subsection (b) to the prohibition of a management district board from imposing an impact fee, assessment, tax, or other requirement for payment, construction, alteration, or dedication under Local Government Code Chapter 375, Municipal Management Districts in General, on single-family detached residential property, duplexes, triplexes, and fourplexes (rather than quadrplexes).

The bill adds subsection (b) to provide that this section does not apply to a tax authorized or approved by the voters of the district or a required payment for a service provided by the district, including water and sewer services.

Effective Sept. 1, 2013.

Section 379B.0012

HB 2388 adds this section to define a "qualifying project" and to provide that Government Code Chapters 2267 and 2269 relating to contracting and delivery procedures for construction

projects do not apply to a qualifying project of a defense base development authority.

Effective June 14, 2013.

Section 379B.011

HB 1348 adds subsection (c) to provide that a commercial aircraft to be used as an instrumentality of commerce that is under construction inside a defense base development authority is presumed to be in interstate, international, or foreign commerce and not located in this state for longer than a temporary period for purposes of Tax Code Sections 11.01 and 21.02.

The bill adds subsection (d) to provide that tangible personal property located inside the authority is presumed to be in interstate, international, or foreign commerce and not located in this state for longer than a temporary period for purposes of Tax Code Sections 11.01, and 21.02, if the owner demonstrates to the chief appraiser for the CAD in which the authority is located that the owner intends to incorporate the property into or attach the property to a commercial aircraft described by subsection (c).

The bill adds subsection (e) to define "commercial aircraft" as an aircraft under construction that is designed to be used as described by Tax Code Section 21.05(e).

Effective Jan. 1, 2014, and applies only to property taxes imposed for a tax year beginning on or after the effective date.

Section 379C.002

HB 3447 amends the section to provide that Local Government Code Chapter 379C applies only to home-rule cities that have a population of 1.18 million or more and are located predominantly in a county that has a total area of less than 1,300 (rather than 1,000) square miles.

Effective Sept. 1, 2013.

Section 379C.005

HB 2840 amends the section to require that to qualify to participate in an urban land bank demonstration program, a developer must have built one (rather than three) or more housing units within the three-year period preceding the submission of a proposal to the land bank seeking to acquire real property from the land bank, among other requirements.

Effective Sept. 1, 2013.

Section 379C.009

HB 2840 amends subsection (b) to add an exception as provided by subsection (b-1) to the requirement that the land bank must sell a property to a qualified participating developer within the four-year period following the date of acquisition for the purpose of construction of affordable housing for sale or rent to low income households.

The bill adds subsection (b-1) to provide that before the completion of the four-year period described by subsection (b),



the land bank may, subject to Local Government Code Section 379C.0106:

- transfer property that the land bank determines is not appropriate for residential development to the taxing units described by subsection (b), or
- sell such property to a political subdivision or a nonprofit organization.

Effective Sept. 1, 2013.

Section 379C.0106

HB 2840 amends subsection (a) to delete the requirement that a person has owned the adjacent property and continuously occupied that property as a primary residence for the two-year period preceding the date of the sale from the definition of “eligible adjacent property owner.”

Effective Sept. 1, 2013.

Section 379C.014

HB 2840 adds this section, “Additional Authorized Use of Land Bank Property.”

The bill adds subsection (a) to provide that notwithstanding the other provisions of Chapter 379C, the land bank may sell property to a developer to allow the construction of a grocery store that has at least 6,000 square feet of enclosed space and that offers for sale fresh produce and other food items for home consumption.

The bill adds subsection (b) to provide that to qualify to purchase property from the land bank under this section, a developer is not required to be a qualified participating developer but must obtain the city’s approval of a development plan for the land bank property and must develop the property in accordance with the approved development plan.

The bill adds subsection (c) to provide that a sale under this section within the four-year period following the date of acquisition of the property by the land bank satisfies the requirement under Local Government Code Section 379C.009(b) that the property be sold within that period to a qualified participating developer.

The bill adds subsection (d) to authorize the land bank to sell property as provided by this section only after granting any rights of first refusal otherwise required by this chapter, and any completed sale under this section remains subject to the right of reverter provided by Local Government Code Section 379C.009(d).

Effective Sept. 1, 2013.

HB 3447 adds this section headed, “Land Used for World Exposition.”

The bill adds subsection (a) to provide that a city may transfer to a land bank land that was part of the site of a world exposition recognized by the Bureau International des Expositions,

subject to any deed restrictions the city adopts, after public notice and hearing, before Jan. 1, 2014.

The bill adds subsection (b) to provide that Local Government Code Section 253.001(b) does not apply to the sale of land described by subsection (a) if the remainder of the world exposition site includes dedicated public squares or parks that have a total area of 18 acres or more, which may include an area for which the city commits to demolishing any non-park improvements within 48 months after the date of the dedication.

The bill adds subsection (c) to provide that a petition for judicial review of a sale under subsection (b) must be filed on or before the 60th day after the date the ordinance or resolution authorizing the sale is adopted. A petition filed after that date is barred.

The bill adds subsection (d) to provide that the restrictions and requirements applicable to the sale of land by a land bank under this chapter or any other law do not apply to land sold by a land bank under this section.

Effective Sept. 1, 2013.

Sections 399.001, 399.002, 399.003, 399.004, 399.005, 399.006, 399.007, 399.008, 399.009, 399.010, 399.011, 399.012, 399.013, 399.014, 399.015, 399.016, 399.017, and 399.018

(Chapter 399, Municipal and County Water and Energy Improvement Regions)

SB 385 adds this chapter and provides that the chapter may be cited as the “Property Assessed Clean Energy Act.” The bill provides for a city or county to establish a program to impose assessments under a written contract to repay financing of qualified projects on real property located in a region designated by a local government.

A city or county must provide notice of a public hearing on the proposed program at which the public may comment on the proposed program and a report regarding the assessment. The report must have specified contents and be available for public inspection as provided. The city or county must make a statement identifying the appropriate local official and the appropriate assessor-collector for purposes of consulting regarding collecting the proposed contractual assessments with property taxes imposed on the assessed property.

Before a local government may enter into a written contract with a record owner of real property to impose an assessment, the holder of any mortgage lien on the property must be given written notice of the owner’s intention to participate in a program before the written contract is executed, as specified, and a written consent from the holder of the mortgage lien on the property must be obtained.

The bill provides for a review of water or energy baseline conditions and projected water or energy savings; the purchase or contract for equipment and materials or the installation or modification of qualified improvements by the property owner;



and local governments filing written notices of contractual assessments in the real property records of the county in which the property is located.

The bill provides that a contractual assessment and any interest or penalties on the assessment is a first and prior lien against the real property on which the assessment is imposed from the date on which the notice of contractual assessment is recorded as provided by Local Government Code Section 399.013 and until the assessment, interest, or penalty is paid. A contractual assessment and any interest or penalties on the assessment has the same priority status as a lien for any other property tax. The lien runs with the land, and that portion of the assessment under the assessment contract that has not yet become due is not eliminated by foreclosure of a property tax lien. The assessment lien may be enforced by the local government in the same manner that a property tax lien against real property may be enforced by the local government to the extent the enforcement is consistent with Section 50, Article XVI, Texas Constitution. Delinquent installments of the assessments incur interest and penalties in the same manner as delinquent property taxes. A local government may recover costs and expenses, including attorney's fees, in a suit to collect a delinquent installment of an assessment in the same manner as in a suit to collect a delinquent property tax.

The bill authorizes the governing body of a local government to contract with the governing body of another taxing unit, as defined by Tax Code Section 1.04, or another entity, including a county assessor-collector, to perform the duties of the local government relating to collection of assessments imposed by the local government.

The bill provides for a local government to issue bonds or notes to finance qualified projects through contractual assessments and these bonds must be secured as provided. The bill provides that a local government pledge of assessments, funds, or contractual rights in connection with the issuance of bonds or notes by the local government is a first lien on the assessments, funds, or contractual rights pledged in favor of the person to

whom the pledge is given, without further action by the local government. The lien is valid and binding against any other person, with or without notice.

The bill provides for a combination of local governments to jointly implement or administer a program. The bill prohibits a local government from making the issuance of a permit, license, or other authorization from the local government contingent on a person entering into a written contract to repay financing of a qualified project through contractual assessments. The bill also prohibits a local government from otherwise compelling a person who owns property in the region to enter into such a written contract.

Effective June 14, 2013.

Section 552.014

SB 902 amends subsection (a) to add the definition of “project” for this section to mean a water supply or treatment system, a water distribution system, a sanitary sewage collection or treatment system, works or improvements necessary for drainage of land, recreational facilities, roads and improvements in aid of roads, or facilities to provide firefighting services.

The bill amends subsections (b), (c), (d), and (e) to substitute “project” for pre-existing language.

The bill amends subsection (c) to modify the authorization of contract between a city and a water district or specified corporations to provide that any payments due under this section are payable from and are secured by a pledge of a specified part of the revenues of the city (including revenues from city sales and use taxes), the levying of a tax to make payments due under this section, and that the payments due under this section be made from a combination of revenues and taxes.

The bill adds subsection (g) to provide that this section does not authorize a water district or corporation described by subsection (b) to participate in a project that the water district or corporation is not authorized to participate in under other law.

Effective Sept. 1, 2013.

Occupations Code

Section 51.207

SB 845 adds subsection (a) from pre-existing language.

The bill adds subsection (b) to require TDLR to provide on its website a link to a website that allows the public to track legislation affecting TDLR administered programs, which may be a website that provides legislative information administered by the Texas Legislature.

The bill adds subsection (c) to provide that TDLR may satisfy any requirement under Occupations Code Chapter 51 or another law governing a program subject to regulation by TDLR to provide notice by delivering the notice by email to the recipient's last known email address if the recipient has previously authorized TDLR to deliver the notice by email.

An email address used under this subsection is confidential and is not subject to disclosure under Government Code Chapter 552.

Effective Sept. 1, 2013.

Section 51.4013

SB 242 adds this section to provide that notwithstanding any other law, TDLR is required to credit verified military service, training, or education toward the licensing requirements, other than examination requirements, for a TDLR issued license.



TDLR is required to adopt rules necessary to implement this section.

Effective June 14, 2013, and applies only to an application for a license filed with TDLR on or after May 1, 2014. TDLR is required to adopt rules under this section not later than March 1, 2014.

Section 901.153

SB 228 adds subsection (f) to authorize an enforcement committee to hold a closed meeting as provided by Government Code Section 551.090 to investigate and deliberate a disciplinary action under Subchapter K relating to the enforcement of Occupations Code Chapter 901, Accountants or TSBPA rules.

Effective Sept. 1, 2013.

Section 901.154

SB 228 repeals subsection (c) which prohibits TSBPA from waiving the collection of any fee or penalty provided by Occupations Code Chapter 901, Accountants.

Effective Sept. 1, 2013.

Section 901.308

SB 228 repeals subsections (d) and (e) relating to providing for a person who fails a paper examination to inspect the questions and answers and to request in writing an analysis from the TSBPA of the person's performance on the examination.

Effective Sept. 1, 2013, and applies only to an examination administered on or after the effective date.

Section 901.457

SB 228 amends subsection (b) to add or modify the following conditions under which this section, relating to accountant-client privilege, does not prohibit a license holder from disclosing information that is required to be disclosed:

- under a subpoena under federal law as specified;
- under a court order signed by a judge, rather than under a court order, if the order contains specified items;
- in accordance with the requirements of the Public Company Accounting Oversight Board or its successor; or
- in the course of a practice review by another certified public accountant or certified public accountancy firm for a potential acquisition or merger of one firm with another, if both firms enter into a nondisclosure agreement with regard to all client information shared between the firms.

Effective Sept. 1, 2013.

Section 1151.003

SB 546 adds this section to provide that Occupations Code Chapter 1151, Property Tax Professionals does not apply to a county assessor-collector described by Section 14, Article

VIII, Texas Constitution, or an employee of the county assessor-collector.

Effective June 14, 2013. An administrative proceeding under Occupations Code Chapter 51 or 1151 against a county tax assessor-collector related to a violation under Occupations Code Chapter 1151 that is pending on the effective date is dismissed.

Section 1151.151

SB 546 amends this section to remove the designation of subsection (a) for pre-existing language and to provide that the requirement that an assessor-collector register with TDLR applies to an assessor-collector other than a county assessor-collector.

The bill strikes subsection (b) which provides that a county assessor-collector is not required to register with the TDLR if the county, by contract entered into under Tax Code Section 6.24(b), has its taxes assessed and collected by another taxing unit or a CAD.

Effective June 14, 2013. An administrative proceeding under Occupations Code Chapter 51 or 1151 against a county tax assessor-collector related to a violation under Occupations Code Chapter 1151 that is pending on the effective date is dismissed.

Section 1151.1581

HB 585 adds subsection (f) to require TDLR to require by rule that a registered professional appraiser who is a chief appraiser complete at least half of the required hours in a program devoted to one or more of the topics listed in Occupations Code Section 1151.164(b) and at least two of the required hours in a program of professional ethics specific to the chief appraiser of a CAD, including a program on the importance of maintaining the independence of an appraisal office from political pressure.

Effective Jan. 1, 2014, and TDLR is required to adopt the rules required by subsection (f) not later than the effective date.

Section 1151.160

SB 546 amends subsection (d) to provide that the requirement that a person registered as an assessor or assessor-collector become certified as a registered Texas assessor by a specified deadline applies to assessor or assessor-collector other than a county assessor-collector.

The bill amends subsection (g) to strike language that provided for a county tax assessor-collector to request a one-year extension to meet certification requirements for themselves or on the behalf of an employee.

Effective June 14, 2013. An administrative proceeding under Occupations Code Chapter 51 or 1151 against a county tax assessor-collector related to a violation under Occupations Code Chapter 1151 that is pending on the effective date is dismissed.

Section 1151.204

SB 464 amends this section to modify the heading to "Dismissal of Complaints."



The bill adds subsection (a) from pre-existing language and amends TDLR's pre-existing authority to dismiss a complaint after investigation to provide that a complaint may be dismissed in part or entirely and to strike language that the complaint must only challenge the appraised value of a property or another matter for which Tax Code Title 1 specifies a remedy and that the disagreement has not been resolved in the complainant's favor by an ARB or court.

The bill adds subsection (b) to provide for TDLR to dismiss a complaint, in part or entirely, after investigation without conducting a hearing if the complaint challenges specified matters and the subject matter of the complaint has not been finally resolved in the complainant's favor by an ARB, a governing body, an arbitrator, a court, or SOAH under Government Code Section 2003.901. The specified matters are if the complaint challenges the imposition of or failure to waive penalties or interest under Tax Code Sections 33.01 and 33.011; appraised value of a property; appraisal methodology; the grant or denial of an exemption; or any matter for which Tax Code Title 1 specifies a remedy, including an action that a property owner is entitled to protest before an ARB under Tax Code Section 41.41(a).

The bill adds subsection (c) to provide that this section does not apply to a matter referred to TDLR by the Comptroller under Tax Code Section 5.102, or a successor statute; a complaint concerning a registrant's failure to comply with the registration and certification requirements of Occupations Code Chapter 1151, Property Tax Professionals; or a complaint concerning a newly appointed chief appraiser's failure to complete the training program described by Occupations Code Section 1151.164.

Effective June 14, 2013, and applies only to a complaint filed on or after the effective date.

Section 1151.206

SB 972 redesignates Occupation Code Section 1151.253 to this section relating to a complaint of a violation of Occupation Code Chapter 1151, Property Tax Professionals, or a rule adopted by TDLR under this chapter.

Effective May 18, 2013.

Sections 1151.251, 1151.252, and 1151.253

(Subchapter F, Criminal Penalties)

SB 972 repeals the subchapter heading; repeals Occupations Code Sections 1151.251 relating to a criminal offense if a person does not register with TDLR as required; repeals Occupations Code Section 1151.252 relating to a criminal offense if a person performs an appraisal, assessment, or collection function while the person's TDLR registration or certification is not active; and redesignates Occupations Code Section 1151.253 as Occupations Code Section 1151.206.

Effective May 18, 2013, but does not apply to an offense committed before the effective date of the repeal.

Section 1152.252

SB 972 repeals this section relating to criminal penalties for a Class B misdemeanor offense that a person required to be registered as a property tax consultant commits if the person is not registered under Occupations Code Chapter 1152 and performs or offers to perform property tax consulting services for compensation; or if the person knows that a person required to be registered is not registered and represents that the person required to be registered is a property tax consultant, agent, counselor, advisor, or representative.

Effective May 18, 2013, but does not apply to an offense committed before the effective date of the repeal.

Section 1201.219

HB 3613 amends the heading of the section to "Perfection, Effect, and Release of Liens."

The bill amends subsection (d) by designating certain provisions as subsection (e).

The bill adds subsection (e) to authorize a tax lien perfected with TDHCA to be released by a tax collector filing a tax lien release with TDHCA as provided or by TDHCA in the manner provided by subsection (h).

The bill adds subsection (f) to provide that on request by any person, a tax collector is required to file a tax lien release with TDHCA if the four-year statute of limitations to file a suit for collection of personal property taxes in Tax Code Section 33.05(a)(1), has expired.

The bill adds subsection (g) to authorize TDHCA to request that a tax collector confirm that no tax suit has been timely filed on any manufactured home tax lien more than four years in delinquency. The bill authorizes TDHCA to make this request electronically, and the bill authorizes a taxing authority to provide notice of the existence or absence of a timely filed tax suit electronically.

The bill adds subsection (h) to require TDHCA to remove from a manufactured home's statement of ownership and location a reference to any tax lien delinquent more than four years for which no suit has been timely filed in accordance with Tax Code Section 33.05(a)(1) if either a tax collector confirms no suit has been filed or after submitting two requests to the tax collector that were sent not fewer than 15 days apart to confirm that no tax suit has been timely filed, TDHCA has not received any response from the tax collector before the 60th day after the tax collector's receipt of the second request.

Effective Sept. 1, 2013.



Penal Code

Section 36.10

SB 148 amends subsection (a) to provide that Penal Code Sections 36.08, relating to gifts to public servants, and Penal Code Section 36.09, relating to offering a gift to a public servant, do not apply to complimentary legal advice or legal services relating to a will, power of attorney, advance directive, or other estate planning document rendered to a public servant who is a first responder and through a program or clinic that is operated by a local bar association or the State Bar of Texas

and approved by the head of the agency employing the public servant, if the public servant is employed by an agency.

The bill adds subsection (e) to provide a definition of “first responder” applicable to this section.

Effective Sept. 1, 2013, and applies only to the prosecution of an offense committed on or after the effective date. For purposes of this section, an offense is committed before the effective date if any element of the offense occurs before the effective date.

Property Code

Section 5.028

SB 887 amends subsection (a) to authorize a person to prepare or execute, rather than only execute, a correction instrument to make a nonmaterial change that results from a clerical error when the person has personal knowledge of facts relevant to the correction of a recorded original instrument of conveyance. The bill modifies the types of allowable changes when correcting an inaccurate or incorrect element in a legal description to include a reference to a plat or other plat information and to provide that the current allowable correction of a lot or block is for the number of a lot or block.

Effective Sept. 1, 2013.

Section 5.030

SB 887 amends subsection (b) to provide that a correction instrument replaces and is a substitute for the original instrument. The bill also provides an exception as provided by subsection (c) to the provision that a bona fide purchaser of property that is subject to a correction instrument may rely on the instrument against any person making an adverse or inconsistent claim.

The bill adds subsection (c) to provide that a correction instrument is subject to the property interest of a creditor or a subsequent purchaser for valuable consideration without notice acquired on or after the date the original instrument was acknowledged, sworn to, or proved and filed for record as required by law and before the correction instrument has been acknowledged, sworn to, or proved and filed for record as required by law.

Effective Sept. 1, 2013.

Section 51.0011

HB 1597 adds this section to provide that notwithstanding any agreement to the contrary, a debtor is not in default under a deed of trust or other contract lien on real property used as the debtor’s residence for the delinquent payment of property taxes if two conditions are met:

- a debtor gave notice to the mortgage servicer of the intent to enter into an installment agreement with the taxing unit

under Tax Code Section 33.02 for the payment of the taxes at least 10 days before the date the debtor entered into the agreement, and

- the property is protected from seizure and sale and a suit may not be filed to collect a delinquent tax on the property as provided by Tax Code Section 33.02(d).

The bill authorizes a mortgage servicer who receives a notice from the debtor of the intent to enter into an installment agreement, as provided, to pay the taxes subject to the installment agreement at any time. The bill provides that a mortgage servicer who receives this notice and gives the debtor notice that the mortgage servicer intends to accelerate the note securing the deed of trust or other contract lien as a result of the delinquency of the taxes that are subject to the installment agreement must rescind the notice if the debtor enters into the agreement not later than the 30th day after the date the debtor delivers the notice.

Effective Sept. 1, 2013.

Section 51.002

HB 699 amends subsection (h) to provide that a commissioners court of a county may designate an area, other than an area at the county courthouse, where public sales of real property will take place that is in a public place within a reasonable proximity of the county courthouse as determined by the commissioners court and in a location as accessible to the public as the courthouse door. The bill provides that a designation by a commissioners court is not a ground for challenging or invalidating any sale. The bill modifies a provision to provide that a sale must be held at an area designated under this subsection if the sale is held on or after the 90th day after the date the designation is recorded.

Effective Oct. 1, 2013.

HB 584 adds subsection (f-1) to provide that if a county maintains a website, the county must post a notice of sale filed with the county clerk as provided on the website on a page that is publicly available for viewing without charge or registration.

Effective Sept. 1, 2013.



Transportation Code

Section 222.1001

SB 1110 adds this section to provide that in Subchapter E, Toll Facilities, “transportation project” has the meaning assigned by Transportation Code Section 370.003.

Effective Sept. 1, 2013.

Section 222.105

SB 1110 amends this section to modify one of the purposes of Transportation Code Sections 222.106 and 222.107 to enhancing a local entity’s ability to sponsor a transportation project.

Effective Sept. 1, 2013.

Section 222.106

SB 1110 amends subsection (b) to provide that this section applies to a city in which a transportation project is to be developed under Transportation Code Section 222.108.

The bill amends subsections (c), (g), (i), (i-2), and (j) to provide for one or more transportation projects, rather than a project, in a TRZ.

The bill amends subsection (i-1) to strike language related to rescinding a pledge or assignment of money in a tax increment account to secure bonds or other obligations issued to obtain funding for a transportation project. Instead, the bill provides that once the money is pledged or assigned, a city may not rescind its pledge or assignment until the contractual commitments that are the subject of the pledge or assignment have been satisfied.

The bill amends subsection (i-2) to provide that TRZ boundaries may not be amended to remove or exclude property from the zone if any part of the tax increment account has been assigned or pledged directly by the city or through another entity to secure bonds or other obligations issued to obtain development of a project.

The bill amends subsection (j) to modify when a TRZ terminates to provide it terminates when the city completes all contractual requirements that included the pledge or assignment of all or a portion of money deposited to a tax increment account; or the repayment of money owed under an agreement for development, redevelopment, or improvement of the project or projects for which the zone was designated.

Effective Sept. 1, 2013.

Section 222.107

SB 1110 amends subsection (b) to provide that this section applies to a county in which a transportation project is to be developed under Transportation Code Section 222.108.

The bill amends subsection (c) to provide for one more transportation projects in a TRZ, rather than a project, and to strike

language that a TRZ is for the purpose of abating property taxes or granting other relief from taxes imposed by the county on real property located in the zone.

The bill amends subsection (e) to specify that the required public hearing on the creation of a TRZ is on the possible abatement of property taxes.

The bill amends subsection (f) to modify the required contents of the order or resolution designating a zone to include findings that the promotion of the transportation project or projects will cultivate the improvement, development, or redevelopment of the zone.

The bill reenacts subsection (h), as amended by Chapters 475 (HB 563) and 1345 (SB 1420), Acts of the 82nd Legislature, Regular Session, 2011. The bill authorizes a commissioners court to pay taxes collected on property in the zone into a tax increment account as specified, enter into agreements with owners of real property in the TRZ to abate all or a portion of property taxes or to grant other relief from the taxes imposed by the county on the owner’s property as prescribed, elect to abate all or a portion of the property taxes imposed by the county on all real property in a zone, or to grant other relief from property taxes on property in the zone.

The bill reenacts and amends subsection (h-1), as added by Chapter 1345 (SB 1420), Acts of the 82nd Legislature, Regular Session, 2011, to conform to Transportation Code Section 222.107(h), as amended by Chapter 475 (HB 563), Acts of the 82nd Legislature, Regular Session, 2011. The bill amends the section to modify a reference to Local Government Code Chapter 381, County Development and Growth.

The bill redesignates and amends subsection (h-1), as added by Chapter 475 (HB 563), Acts of the 82nd Legislature, Regular Session, 2011, as subsection (h-2) to strike language related to rescinding a pledge or assignment of money, including from tax increment, in a tax increment account to secure bonds or other obligations issued to obtain funding for a transportation project. Instead, the bill provides that once the money is pledged or assigned, a county may not rescind its pledge or assignment until the contractual commitments that are the subject of the pledge or assignment have been satisfied. The bill modifies a provision related to the use of assessments not pledged or assigned to provide that any amount received from the tax increment or the installment payments of the assessments not pledged or assigned in connection with a transportation project may be used for other purposes as determined by the commissioners court. The bill also provides language for transportation projects in the TRZ, rather than a project.

The bill repeals subsection (i-1) relating to the authorization of a county that collects a tax increment to issue bonds to pay all or part of the cost of a transportation project and to pledge and assign all or a specified amount of money in the tax increment account to secure those bonds.



The bill amends subsection (k-1) to modify when TRZ boundaries may not be amended to provide that property may not be removed or excluded from the zone if any part of the tax increment or assessment has been assigned or pledged directly by the county or through another entity to secure bonds or other obligations issued to obtain funding or development of a project.

The bill amends subsection (l) to provide when a TRZ terminates and to modify the termination of a tax abatement or an order or resolution on the abatement of taxes or the grant of relief from taxes to when the county completes either all contractual requirements that included the pledge or assignment of all or a portion of money deposited to a tax increment account or the assessments collected as specified; or the repayment of money owed under an agreement for the development, redevelopment, or improvement of the project or projects for which the zone was designated.

Effective Sept. 1, 2013.

Section 222.1071

HB 2300 and **SB 1747** add this section relating to county energy TRZ.

The bills add subsection (a) to require a county to determine the amount of the tax increment for a county energy TRZ in the same manner the county would determine the tax increment as provided in Transportation Code Section 222.107(a) for a county TRZ.

The bills add subsection (b) to authorize a county to designate by order or resolution of the commissioners court a contiguous geographic area in the jurisdiction of the county to be a county energy TRZ to promote one or more transportation infrastructure projects as defined located in the zone after the county determines that an area is affected by oil and gas exploration and production activities and in addition, **SB 1747** provides that a county determines it would benefit from funding under Transportation Code Chapter 256. After making such a determination, a county is authorized to jointly administer a county energy TRZ. **SB 1747** provides that jointly administered zones are zones that are contiguous.

HB 2300 adds subsection (c) to provide that a commissioners court must dedicate or pledge all of the captured appraised value of real property located in the county energy TRZ to transportation infrastructure projects. The bills require a commissioners court to comply with all applicable laws in the application of this chapter.

HB 2300 and **SB 1747** add subsection (d) to provide that not later than the 30th day before the date a commissioners court proposes to designate an area as a county energy TRZ under this section, the commissioners court must hold a public hearing on the creation of the zone and its benefits to the county and to property in the proposed zone. At the hearing an interested person may speak for or against the designation of the zone, its boundaries, the joint administration of a zone

in another county, or the use of tax increment paid into the tax increment account.

The bills add subsection (e) to provide that not later than the seventh day before the date of the hearing, notice of the hearing and the intent to create a zone must be published in a newspaper having general circulation in the county.

The bills add subsection (f) to provide that the order or resolution designating an area as a county energy TRZ must:

- describe the boundaries of the zone with sufficient definiteness to identify with ordinary and reasonable certainty the territory included in the zone;
- provide that the zone takes effect immediately on adoption of the order or resolution designating an area and that the base year shall be the year of passage of the order or resolution designating an area or some year in the future; and
- establish a property tax increment account for the zone or provide for the establishment of a joint property tax increment account, if applicable.

SB 1747 provides that the order or resolution must, if two or more counties are designating a zone for the same transportation infrastructure project or projects, include a finding that the project or projects will benefit the property and residents located in the zone, the creation of the zone will serve a public purpose of the county, and details the transportation infrastructure projects for which each county is responsible.

HB 2300 requires that the order or resolution assign a name to the zone for identification as prescribed and name the advisory board for the zone or the county's members on a joint advisory board, as applicable.

HB 2300 and **SB 1747** add subsection (g) to provide that compliance with the requirements of this section constitutes designation of an area as a county energy TRZ without further hearings or other procedural requirements.

The bills add subsection (h) to authorize a county, from taxes collected on property in a zone, to pay into a tax increment account for the zone or zones an amount equal to the tax increment produced by the county less any amounts allocated under previous agreements, including agreements under Local Government Code Section 381.004 or Tax Code Chapter 312.

SB 1747 adds subsection (i) to grant a county the authority to:

- use money in the tax increment account to provide matching funds under Transportation Code Section 256.105 and funding for one or more transportation infrastructure projects located in the zone;
- apply for grants under Subchapter C, Chapter 256 of the Transportation Code subject to Transportation Code Section 222.1072;
- use five percent of any grant distributed to the county under Subchapter C, Chapter 256 of the Transportation Code for the administration of a county energy TRZ, not to exceed \$250,000;



- enter into an agreement to provide for the joint administration of county energy TRZs if the commissioners court of the county has designated a county energy TRZ under this section for the same transportation infrastructure project or projects as another county commissioners court; and
- pledge money in the tax increment account to a road utility district formed as provided by subsection (n).

HB 2300 adds subsection (i) and **SB 1747** adds subsection (j) to prohibit a tax increment paid into a tax increment account from being pledged as security for bonded indebtedness.

HB 2300 adds subsection (j) to authorize a commissioners court to pledge money in the tax increment account to provide funding for one or more specified transportation projects located in the zone and to a road utility district formed as provided.

SB 1747 adds subsection (k) to provide that a county energy TRZ terminates on Dec. 31 of the 10th year after the year the zone was designated unless extended by an act of the county commissioners court that designated the zone. The extension may not exceed five years. On termination of the zone, any money remaining in the tax increment account must be transferred to the road and bridge fund described by Transportation Code Chapter 256 for the county that deposited the money into the tax increment account.

SB 1747 adds subsection (l) to provide that the captured appraised value of real property located in a county energy TRZ shall be treated as provided by Tax Code Section 26.03.

HB 2300 adds subsection (p) and **SB 1747** adds subsection (m) to authorize the commissioners court of a county to enter into an agreement with TxDOT to designate a county energy TRZ under this section for a specified transportation infrastructure project involving a state highway located in the proposed zone.

HB 2300 adds subsection (k) and **SB 1747** adds subsection (n) to provide that in the alternative, to assist the county in developing a transportation infrastructure project, if authorized by the Texas Transportation Commission under Transportation Code Chapter 441, a road utility district may be formed under that chapter that has the same boundaries as a county energy TRZ created under this section. The road utility district may issue bonds to pay all or part of the cost of a transportation infrastructure project and may pledge and assign all or a specified amount of money in the tax increment account to secure those bonds if the county collects a tax increment; and pledges all or a specified amount of the tax increment to the road utility district.

HB 2300 adds subsection (l) and **SB 1747** adds subsection (o) to authorize a road utility district formed as provided to enter into an agreement to fund development of a transportation infrastructure project or to repay funds owed to TxDOT. Any amount paid for this purpose is considered to be an operating expense of the district. Any taxes collected by the district that are not paid for this purpose may be used for any district purpose.

HB 2300 adds subsection (m) to provide that to accommodate changes in the limits of the project for which a zone was designated, the boundaries of a zone may be amended at any time, except that property may not be added to a zone unless the commissioners court of the county complies as specified.

HB 2300 adds subsection (n) to provide that a county energy TRZ terminates on Dec. 31 of the 10th year after the year the zone was designated, if before that date the county has not used the zone for the purpose for which it was designated.

HB 2300 adds subsection (o) to authorize the commissioners courts of two or more counties that have designated a county energy TRZ under this section for the same transportation project or projects to enter into an agreement to provide for the joint administration of the zones.

Effective Sept. 1, 2013 (HB 2300). Effective Sept. 1, 2013, and the amendment adding Transportation Code Sections 222.1071 and 222.1072, made by this Act prevails over the amendment adding those sections to Subchapter E, Chapter 222, Transportation Code, made by Section 1, HB 2300, 83rd Legislature, Regular Session, 2013, and the amendment made by Section 1, HB 2300, 83rd Legislature, Regular Session, 2013, has no effect (SB 1747).

Section 222.1072

HB 2300 and **SB 1747** add this section, relating to the advisory board of county energy TRZ.

HB 2300 adds subsection (a) and **SB 1747** adds subsection (b) to provide the advisory board of a county energy TRZ consists of members appointed by the county judge and approved by the county commissioners court. These members consist of three oil and gas company representatives who perform company activities in the county and are local taxpayers; and two public members. **HB 2300** specifies that the public members are active in civic affairs and **SB 1747** provides that up to three members be oil and gas company representatives.

SB 1747 adds subsection (a) to provide that a county is eligible to apply for a grant under Subchapter C, Chapter 256 of the Transportation Code, if the county creates an advisory board to advise the county on the establishment, administration, and expenditures of a county energy TRZ. The county commissioners court shall determine the terms and duties of the advisory board members.

HB 2300 adds subsection (b) and **SB 1747** adds subsection (c) to provide that county energy TRZ that are jointly administered are advised by a single joint advisory board for the zones. A joint advisory board under this subsection consists of members appointed as provided for each zone to be jointly administered.

HB 2300 adds subsection (c) and **SB 1747** adds subsection (d) to prohibit an advisory board member from receiving compensation for service on the board or reimbursement for expenses incurred in performing services as a member.

Effective Sept. 1, 2013 (HB 2300). Effective Sept. 1, 2013, and the amendment adding Transportation Code Sections 222.1071 and



222.1072, made by this Act prevails over the amendment adding those sections to Subchapter E, Chapter 222, Transportation Code, made by Section 1, HB 2300, 83rd Legislature, Regular Session, 2013, and the amendment made by Section 1, HB 2300, 83rd Legislature, Regular Session, 2013, has no effect (SB 1747).

Section 222.1075

SB 971 adds this section relating to port authority TRZ.

The bill adds subsection (a) to provide the definition for “port authority,” “port commission,” and “port project” for this section.

The bill adds subsection (b) to provide that in this section the amount of a port authority’s tax increment for a year is the amount of property taxes levied and collected by the port authority or by the commissioners court on behalf of the port authority for that year on the captured appraised value of real property taxable by the port authority and located in a TRZ. For this section, the bill provides that the captured appraised value of real property taxable by a port authority for a year is the total appraised value of all real property taxable by the port authority and located in a TRZ for that year less the tax increment base of the port authority. The bill also provides that the tax increment base of a port authority, for this section, is the total appraised value of all real property taxable by the port authority and located in TRZ for the year in which the zone was designated.

The bill adds subsection (c) to authorize a port commission of the port authority by order or resolution to designate a TRZ after determining that an area is unproductive or underdeveloped and that action under this section would improve the security, movement, and intermodal transportation of cargo or passengers in commerce and trade. The bill authorizes the port commission to designate a contiguous geographic area in the port authority’s jurisdiction to be a TRZ to promote a port project and for the purpose of abating property taxes or granting other county tax relief for real property located in the zone.

The bill amends subsection (d) to provide that the port commission must comply with all applicable laws in the application of Transportation Code Chapter 222, Funding and Federal Aid.

The bill adds subsection (e) to provide that the port commission must hold a public hearing not later than the 30th day before the date the port commission proposes to designate a TRZ under this section. The public hearing must be on the creation of the zone, its benefits to the port authority and to property in the proposed zone, and the abatement of property taxes or the granting of other property tax relief of taxes imposed by the port authority on real property located in the zone. At the hearing an interested person may speak for or against the designation of the zone, its boundaries, or the abatement of or other relief from port authority taxes on real property in the zone. Not later than the seventh day before the date of the hearing, notice of the hearing and the intent to create a zone

must be published in a newspaper having general circulation in the county in which the zone is proposed to be located.

The bill adds subsection (f) to specify requirements of the order or resolution designating a TRZ. The specified requirements are that the order or resolution must:

- describe the zone boundaries, provide that the zone takes effect immediately on adoption of the order or resolution and that the base year shall be the year of passage of the order or resolution or some year in the future,
- assign a name to the zone as prescribed,
- designate the base year for purposes of establishing the tax increment base,
- establish a property tax increment account, and
- contain specified findings on the effects of the promotion of a port project.

The bill adds subsection (g) to provide that compliance with the requirements of this section constitutes the designation of an area as a TRZ without further hearings or other procedural requirements.

The bill adds subsection (h) to authorize the port commission to:

- from taxes collected on property in a zone (including maintenance and operation taxes), pay into the zone’s tax increment account an amount equal to the tax increment produced by the port authority less any amounts allocated under previous agreements, including agreements under Tax Code Chapter 312, Property Redevelopment and Tax Abatement Act;
- repay any loan or other debt incurred to finance a port project under this section from the zone’s tax increment account;
- by order or resolution enter into an agreement with the owner of any real property located in the TRZ to abate all or a portion of the property taxes or to grant other tax relief for the owner’s property in an amount not to exceed a calculated amount for that year;
- by order or resolution elect to abate all or a portion of the property taxes imposed by the port authority on all real property in a zone; or
- grant other relief from property taxes on property in a zone.

The bill adds subsection (i) to provide that all abatements or other relief granted by the port commission in a TRZ must be equal in rate. In any property tax year, the total amount of the taxes abated or the total amount of other relief granted under this section may not exceed the calculated amount for that year, less any amounts allocated under previous agreements, including agreements under Tax Code Chapter 312, Property Redevelopment and Tax Abatement Act.

The bill adds subsection (j) to authorize a port authority to assess all or part of the cost of the port project against property within the zone to further the development of the port project for which the TRZ was designated. The bill provides that the assessment against each property in the zone may be levied and payable in installments in the same manner as provided



for city and county public improvement districts under Local Government Code Sections 372.016 - 372.018, provided that the installments do not exceed the total amount of the tax abatement or other relief granted under subsection (h). The bill provides that a port authority has the powers provided to cities and counties under Local Government Code Sections 372.015 - 372.020 and 372.023, for the assessment of costs and Local Government Code Sections 372.024 - 372.030, for the issuance of bonds by the port authority to pay the cost of a port project. The bill authorizes the port commission of the port authority to contract with a public or private entity to develop, redevelop, or improve a port project in the TRZ (including aesthetic improvements) and to pledge and assign to that entity all or a specified amount of the revenue the port authority receives from installment payments of the assessments for the payment of the costs of that port project. The bill prohibits the port commission of the port authority from rescinding its pledge or assignment until the bonds or other obligations secured by the pledge or assignment have been paid or discharged if the entity that received the pledge or assignment has itself pledged or assigned that amount to secure bonds or other obligations issued to obtain funding for the port project. Any amount received from installment payments of the assessments not pledged or assigned in connection with the port project may be used for other purposes associated with the port project or in the zone.

The bill adds subsection (k) to provide for amending the boundaries of a zone to accommodate changes in the limits of the project for which a reinvestment zone was designated, except that property may not be removed or excluded from a designated zone if any part of the assessment has been assigned or pledged directly by the port authority or through another entity to secure bonds or other obligations issued to obtain funding of the project and property may not be added to a designated zone unless the port commission of the port authority complies with subsections (e) and (f).

The bill adds subsection (l) to provide that except as provided by subsection (m), a tax abatement agreement entered into or an order or resolution on a tax abatement or the granting of other tax relief under subsection (h), terminates on Dec. 31 of the year in which the port authority completes any contractual requirement that included the pledge or assignment of assessments collected under this section.

The bill adds subsection (m) to provide that a TRZ terminates on Dec. 31 of the 10th year after the year the zone was designated, if before that date the port authority has not used the zone for the purpose for which it was designated.

Effective Sept. 1, 2013.

Section 222.108

SB 1110 amends subsection (a) to strike the exception to the requirement that a TRZ be established in connection with a project under Transportation Code Section 222.104. The bill also provides for one or more transportation projects in a TRZ, rather than a project.

The bill repeals subsection (d) which defined for this section, “transportation project” as having the meaning assigned by Transportation Code Section 370.003.

Effective Sept. 1, 2013.

SB 971 amends subsection (d) to modify the definition for this section of “transportation project” to include transportation projects described by Transportation Code Section 370.003; and port security, transportation, or facility projects described by Transportation Code Section 55.001(5).

Effective Sept. 1, 2013.

Section 222.110

SB 1747 amends subsection (a) to provide that the definition of “transportation reinvestment zone” includes a county energy TRZ.

The bill amends subsection (h) to provide that the hearing required under subsection (g) may be held in conjunction with a hearing held under Transportation Code Section 222.1071(d) if the ordinance or order designating an area as a TRZ under Transportation Code Section 222.1071 also designates a sales tax increment under subsection (b).

Effective Sept. 1, 2013.

SB 1110 modifies subsection (e) to provide that sales and use tax deposited into a tax increment account may be disbursed only to pay for projects authorized under Transportation Code Section 222.104 or 222.108; and notwithstanding Tax Code Sections 321.506 and 323.505, to satisfy claims of holders of tax increment bonds, notes, or other obligations issued or incurred for projects authorized under Transportation Code Section 222.104 or 222.108.

Effective Sept. 1, 2013.

HB 2300 amends subsection (e) to provide that sales and use taxes to be deposited into the tax increment account under this section may be disbursed notwithstanding Tax Code Sections 321.506 and 323.505 to satisfy claims of holders of tax increment bonds, notes, or other obligations issued or incurred for projects authorized under Transportation Code Section 222.104 or 222.1071.

Effective Sept. 1, 2013.

SB 1747 adds subsection (i) to provide that notwithstanding subsection (e), the sales and use taxes to be deposited into the tax increment account established by a county energy TRZ or TRZs under this section may be disbursed from the account only to provide matching funds under Transportation Code Section 256.105; and funding for one or more transportation infrastructure projects located in a zone.

Effective Sept. 1, 2013.



Section 222.111

SB 1110 adds this section relating to TRZs for projects located in other jurisdictions. The bill provides that notwithstanding any other law, the governing body of a county or city may designate a TRZ for a transportation project located outside the boundaries of the county or city if certain conditions are met. These specified conditions are the county or city finds that the project will benefit the property and residents located in the zone and the creation of the zone will serve a public purpose of that county or city; a zone has been designated for the same project by one or more counties or cities in whose boundaries the project is located; and an agreement for joint support of the designated zones is entered into by the county or city whose boundaries do not contain the project and one or more of the counties or cities that have designated a zone for the project and in whose boundaries the project is located.

Effective Sept. 1, 2013.

Sections 251.018

SB 1747 adds this section relating to road reports to provide that a road condition report made by a county that is operating under a system of administering county roads under Transportation Code Chapter 252 or a special law, including a report made under Transportation Code Section 251.005, must include the primary cause of any road, culvert, or bridge degradation if reasonably ascertained.

Effective Sept. 1, 2013.

HB 2300 adds the section to provide that a commissioners court may accept donations of labor, money, or other property to aid in the building or maintaining of roads, culverts or bridges in the county if the commissioners court enters into an agreement of release of liability regarding the donations. The bill also permits a county operating under the county road department system on Sept. 1, 2013, to use the authority granted under this section without holding a new election under Transportation Code Section 252.301.

Effective Sept. 1, 2013.

Section 251.019

SB 1747 adds this section relating to donations.

The bill adds subsection (a) to authorize a commissioners court to accept donations of labor, money, or other property to aid in the building or maintaining of roads, culverts, or bridges in the county.

The bill adds subsection (b) to authorize a county operating under the county road department system on Sept. 1, 2013, to use the authority granted under this section without holding a new election under Transportation Code Section 252.301.

The bill adds subsection (c) to provide that a county that accepts donations under this section must execute a release of

liability in favor of the entity donating the labor, money, or other property.

Effective Sept. 1, 2013.

Section 256.009

SB 1747 amends subsection (a) to add to the list of items that a county auditor or the official with the duties of the county auditor must annually file with the Comptroller to include how money paid into a tax increment account for the zone or from an award under Subchapter C was spent if the county designated a county energy TRZ and a description, including location, of any new roads constructed in whole or in part with this money.

Effective Sept. 1, 2013.

Sections 256.101, 256.102, 256.103, 256.104, 256.105, and 256.106

(Subchapter C, Transportation Infrastructure Fund)

SB 1747 creates definitions for “fund,” “transportation infrastructure project,” “weight tolerance permit,” and “well completion.” The bill provides that the transportation infrastructure fund is a dedicated fund in the state treasury outside the general revenue fund. Government Code Sections 403.095 and 404.071 do not apply to the fund. Money in the fund may be appropriated only to TxDOT for the purposes of Subchapter C, Transportation Infrastructure Fund and the fund consists of:

- any federal funds received by the state deposited to the credit of the fund;
- matching state funds in an amount required by federal law;
- funds appropriated by the Legislature to the credit of the fund;
- a gift or grant;
- any fees paid into the fund; and
- investment earnings on the money on deposit in the fund.

The bill provides for TxDOT to administer a grant program under Subchapter C, Transportation Infrastructure Fund to make grants to counties for transportation infrastructure projects located in areas of the state affected by increased oil and gas production. TxDOT may adopt rules to implement this subchapter. The bill provides for the allocation of grants to counties that designate a county energy TRZ, the application process, matching funds, and program administration.

The bill authorizes TxDOT to use one-half of one percent of the amount deposited into the fund in the preceding fiscal year, not to exceed \$500,000 in a state fiscal biennium, to administer Subchapter C, Transportation Infrastructure Fund.

Effective Sept. 1, 2013. TxDOT must adopt rules implementing Subchapter C, Chapter 256 of the Transportation Code, as added by this Act, as soon as practicable after the effective date.



Section 431.003

SB 276 and **SB 948** amend this section to modify the definition of “local government” for purposes of Subchapter D, Local Government Corporations to include a regional transportation authority governed by Transportation Code Chapter 452 and a coordinated county transportation authority governed by Transportation Code Chapter 460. **SB 276** also includes in the definition a rapid transit authority governed by Transportation Code Chapter 451.

Effective May 18, 2013 (SB 276). Effective Sept. 1, 2013 (SB 948).

Section 521.008

SB 1729 adds this section relating to a pilot program regarding the provision of renewal and duplicate driver’s license and other identification certificate services.

The bill adds subsection (a) to authorize DPS to establish a pilot program for the provision of renewal and duplicate driver’s license, election identification certificate, and personal identification certificate services. This program is in not more than three counties with a population of 50,000 or less; not more than three counties with a population of more than 50,000 but less than 1,000,001; not more than two counties with a population of more than one million; and notwithstanding the previous requirements, any county in which DPS operates a driver’s license office as a scheduled or mobile office.

The bill adds subsection (a-1) to authorize DPS to enter into an agreement with the commissioners court of a county to permit county employees to provide services at a county office relating to the issuance of renewal and duplicate driver’s licenses, election identification certificates, and personal identification certificates. These services include taking photographs; administering vision tests; updating a driver’s license, election identification certificate, or personal identification certificate to change a name, address, or photograph; distributing and collecting

information relating to donations under Transportation Code Section 521.401; collecting fees; and performing other basic ministerial functions and tasks necessary to issue renewal and duplicate driver’s licenses, election identification certificates, and personal identification certificates.

The bill adds subsection (b) to provide that an agreement under subsection (a-1) may not include training to administer an examination for driver’s license applicants under Subchapter H, Education and Examination Requirements.

The bill adds subsection (c) to provide that a participating county must remit to DPS for deposit, as required, fees under Transportation Code Chapter 521, Driver’s Licenses and Certificates collected for the issuance of a renewal or duplicate driver’s license or personal identification certificate.

The bill adds subsection (d) to authorize the commissioners court of a county to provide services through any consenting county office. A county office may decline or consent to provide services by providing written notice to the commissioners court.

The bill adds subsection (e) to require DPS to provide all equipment and supplies necessary to perform the services described by subsection (a-1), including network connectivity.

The bill adds subsection (f) to require DPS to adopt rules to administer this section.

Effective June 14, 2013.

Section 521.428

SB 1729 adds this section relating to county fees to provide that a county that provides services under an agreement described by Transportation Code Section 521.008 may collect an additional fee of up to \$5 for each transaction provided that it relates to driver’s license and personal identification certificate services only.

Effective June 14, 2013.

Water Code

Section 49.059

SB 902 amends the section heading to “Tax Assessor and Collector.”

The bill amends subsection (a) to authorize a district created by the authority of either Sections 52(b)(1) and (2), Article III, or Section 59, Article XVI, Texas Constitution, to employ or contract with, to serve as its tax assessor and collector, any person who is an individual certified as a registered Texas assessor-collector; or a firm, organization, association, partnership, corporation, or other legal entity if an individual certified as a registered Texas assessor-collector owns an interest in or is employed by the firm, organization, association, partnership, corporation, or other legal entity.

The bill amends subsection (b) to provide that a tax assessor and collector employed or contracted for under this section is not required to be a natural person.

The bill amends subsection (c) to require a firm, organization, association, partnership, corporation, or other legal entity serving as district tax assessor and collector to give a bond as required by Water Code Section 49.057 for a natural person.

The bill adds subsections (d), (e), (f), and (g) from pre-existing subsections, updates section references, and conforms to subsections (b) and (c).

Effective Sept. 1, 2013.



Section 49.063

SB 902 adds subsection (a) from pre-existing language.

The bill adds subsection (b) to provide that the validity of an action taken at a board meeting of a district or authority created by the authority of either Sections 52(b)(1) and (2), Article III, or Section 59, Article XVI, Texas Constitution is not affected by:

- the failure to provide notice of the meeting if the meeting is a regular meeting;
- an insubstantial defect in notice of the meeting; or
- the failure of a county clerk to timely or properly post or maintain public access to a notice of the meeting if notice of the meeting is furnished to the county clerk in sufficient time for posting under Government Code Section 551.043(a) or 551.045.

Effective Sept. 1, 2013.

Section 49.102

SB 902 amends subsection (a) to specify that the required election before issuing any bonds or other obligations within the boundaries of a proposed district created by the authority of either Sections 52(b)(1) and (2), Article III, or Section 59, Article XVI, Texas Constitution must be on a uniform election date provided by Election Code Section 41.001.

The bill amends subsection (b) to provide that the notice of a confirmation or director election state the number of directors to be voted on is required if applicable.

The bill amends subsection (c) to provide that the requirement that ballots leave blank places after the names of the temporary directors in which a voter may write the names of other persons for directors applies if the district has received an application by a write-in candidate and if so, the blank spaces are for any candidates appearing on the list of write-in candidates required by Election Code Section 146.031.

The bill amends subsection (h) to modify references to “directors” to “elected directors.”

Effective Sept. 1, 2013.

Section 49.103

SB 902 amends subsection (a) to modify the four-year term lengths of members of the board of a district created by the authority of either Sections 52(b)(1) and (2), Article III, or Section 59, Article XVI, Texas Constitution to staggered four-year terms.

The bill amends subsection (b) to provide the required director election of a district is held after confirmation of a district.

The bill repeals subsection (g) relating to the terms of directors or the date of a director election for a district.

Effective Sept. 1, 2013.

Section 49.1045

SB 902 adds this section relating to the certification of election results in less populous districts created by the authority of either Sections 52(b)(1) and (2), Article III, or Section 59, Article XVI, Texas Constitution.

Effective Sept. 1, 2013.

Section 49.105

SB 902 amends subsection (c) to authorize, rather than require, TCEQ (if the district is required to obtain TCEQ approval of its bonds) or the county commissioners court (if the commissioners court created the district) to appoint directors as provided to fill vacancies on the board of a district created by the authority of either Sections 52(b)(1) and (2), Article III, or Section 59, Article XVI, Texas Constitution.

The bill amends subsection (d) to provide that if one or more members of a board is not elected, the current members of a temporary board holding the positions not filled at election shall be deemed to have been elected and serve the initial term of office.

Effective Sept. 1, 2013.

Sections 49.109, 49.110, 49.111, 49.112, and 49.113

SB 902 adds these sections relating to an agent during an election period for a district created by the authority of either Sections 52(b)(1) and (2), Article III, or Section 59, Article XVI, Texas Constitution; eligibility and appointment notices of election judges; exempting a district from use of accessible voting systems; cancellation of an election and the removal of a ballot measure; and notice for filing for a place on the ballot.

Effective Sept. 1, 2013.

Section 49.151

SB 902 amends subsection (c) to provide for disbursements to be transferred by electronic means by a board of a district created by the authority of either Sections 52(b)(1) and (2), Article III, or Section 59, Article XVI, Texas Constitution.

Effective Sept. 1, 2013.

Section 49.154

SB 902 amends subsection (a) to provide that bond anticipation notes or tax anticipation notes of a district created by the authority of either Sections 52(b)(1) and (2), Article III, or Section 59, Article XVI, Texas Constitution are negotiable instruments within the meaning and purposes of the Business & Commerce Code notwithstanding any provision to the contrary in that code.

The bill amends subsection (c) to provide that bond anticipation notes may be issued for any purpose for which bonds of the district may be issued and strikes the provision that bonds



may be issued for any purpose for which the bonds may have previously been voted.

Effective Sept. 1, 2013.

Section 49.181

SB 902 amends subsection (a) to specify that the prohibition of a district created by the authority of either Sections 52(b)(1) and (2), Article III, or Section 59, Article XVI, Texas Constitution from issuing bonds unless TCEQ determines that the project is feasible and issues an order approving the bond issuance applies to bonds to finance a project for which TCEQ has adopted rules requiring review and approval.

Effective Sept. 1, 2013.

Section 49.194

SB 902 amends subsection (a) and (b) to provide an exception as provided by subsection (h) to the requirement that the board of a district created by the authority of either Sections 52(b)(1) and (2), Article III, or Section 59, Article XVI, Texas Constitution submit a copy of an audit report to the executive director within 135 days after the close of the district's fiscal year.

The bill amends subsections (a) and (c) to replace references to an "audit" with "audit report."

The bill adds subsection (h) to require a special water authority to submit a copy of the audit report to the executive director for filing not later than the 160th day after the date the special water authority's fiscal year ends.

Effective Sept. 1, 2013.

Section 49.212

SB 902 amends subsection (d) to modify provisions relating to when a charge or a fee imposed by a district created by the authority of either Sections 52(b)(1) and (2), Article III, or Section 59, Article XVI, Texas Constitution is not an impact fee under Local Government Code Chapter 395. The bill provides that a charge or fee is not an impact fee when it is imposed by a district for capacity in storm water detention or retention facilities and related storm water conveyances if all other requirements are met. The bill provides that a charge or fee is not an impact fee if it is made by a district for retail or wholesale service on land that at the time of platting was not being provided with water, wastewater, drainage, or storm water detention or retention service by the district.

The bill adds subsection (d-1) to provide that actual costs under subsection (d), as determined by the board in its reasonable discretion, may include non-construction expenses attributable to the design, permitting, financing, and construction of the facilities under subsections (d)(1) and (d)(2), and reasonable interest on those costs calculated at a rate not to exceed the net effective interest rate on any district bonds issued to finance the facilities.

The bill adds subsection (d-2) from pre-existing language and authorizes a district to pledge the revenues of the district's

utility system to pay the principal of or interest on bonds issued to construct the capital improvements for which a charge is imposed under subsection (d).

Effective Sept. 1, 2013.

Section 49.2121

SB 902 amends subsection (b) to strike the limit on a fee that a district may collect that is reasonably related to the expense in processing the payment by credit card incurred by a district created by the authority of either Sections 52(b)(1) and (2), Article III, or Section 59, Article XVI, Texas Constitution.

Effective Sept. 1, 2013.

Section 49.216

SB 902 amends subsection (e) to provide that the requirement that a peace officer take an oath and execute a bond before beginning to perform any duties and at the time of appointment applies to any peace officer who is directly employed by a district created by the authority of either Sections 52(b)(1) and (2), Article III, or Section 59, Article XVI, Texas Constitution.

The bill adds subsection (f) to provide that a peace officer contracted for by a district, individually or through a county, sheriff, constable, or city, is an independent contractor, and the district is responsible for the acts or omissions of the peace officer only to the extent provided by law for other independent contractors.

Effective Sept. 1, 2013.

Section 49.273

SB 902 amends subsection (d) to increase from \$50,000 to \$75,000 the threshold over which a contract is required to advertise the letting of the contract by the board of a district or authority created by the authority of either Sections 52(b)(1) and (2), Article III, or Section 59, Article XVI, Texas Constitution. The bill modifies provisions relating to publishing the required notice, including striking language that if one newspaper meets both requirements then publication in such newspaper is sufficient and providing that the first publication must be not later than the 14th (rather than the 21st) day before the date of the opening of the sealed bids.

The bill amends subsection (e) to increase the upper threshold for contracts from not more than \$50,000 to not more than \$75,000 over which a board is required to solicit written competitive bids on uniform written specifications from at least three bidders.

Effective Sept. 1, 2013.

HB 1050 amends subsection (i) to specify that the aggregate of the change orders to certain contracts may not increase the original contract price by more than 25 percent (rather than 10 percent).

Effective Sept. 1, 2013.



Section 49.3076

HB 1324 amends subsection (a) to provide that the board of directors of a district created by the authority of either Sections 52(b)(1) and (2), Article III, or Section 59, Article XVI, Texas Constitution that has a total area of more than 10,000 acres (rather than 5,000 acres) shall call a hearing on the exclusion of land from the district on or before the 60th day after receiving a written petition filed with the secretary of the board by one or more owners (rather than a landowner) of land more than half the acreage of which has been for more than 20 years (rather than for more than 28 years) included in and taxable by the district if any bonds issued by the district payable in whole or in part from taxes of the district are outstanding and the petition meets specified criteria.

The bill repeals subsection (a-1) which provides for a district that has a total area of more than 1,000 acres and not more than 5,000 acres to have a hearing on the exclusion of land on a written petition by specified landowners.

The bill amends subsection (b) to require a district board to exclude land under this section if the district:

- does not provide (rather than has never provided) retail utility service to the land described by the petition,
- has imposed a tax on more than half the acreage of the land for at least 20 years (rather than more than 28 years under specified conditions or more than 40 years under other specified conditions), and if
- all taxes the district has levied and assessed against the land and all fees and assessments the district has imposed against the land or the owner that are due and payable on or before the date of the petition are fully paid.

The bill amends subsection (c) to provide that, subject to subsection (c-1), unless the district presents evidence at the hearing that conclusively demonstrates that the requirements and grounds for exclusion described by subsection (a) (rather than subsection (a) or (a-1) as appropriate, and subsection (b)) have not been met, the board shall enter an order excluding the land from the district and shall redefine in the order the boundaries of the district to embrace all land not excluded.

The bill adds subsection (c-1) to provide that if on or before the date of the exclusion hearing required by subsection (a) the district and the owner or owners enter into an agreement for utility service to the land proposed to be excluded, the district is not required to enter an order excluding the land from the district. An owner of all or part of the land is not required to enter into a utility agreement that as of the date of the petition fails to meet specified conditions.

The bill amends subsection (d) to add TCEQ to the entities with whom a copy of an order excluding land and redefining the boundaries of the district shall be filed.

The bill amends subsection (f) to clarify that additional debt issued after land is excluded from the district may not be payable from taxes levied against the taxable value of the excluded

land (rather than may not be payable from the taxable value of the excluded land).

The bill adds subsection (g-1) to provide that this section does not apply to a district:

- whose primary activity is the wholesale supply of raw water and that has fewer than 500 retail customers, or
- whose jurisdiction covers four counties and that was created under Section 59, Article XVI, Texas Constitution.

Effective Sept. 1, 2013, and applies only to a petition for exclusion of land that is filed with a district on or after the effective date.

Section 49.3077

HB 1324 amends the section by defining “adjusted gross value,” “carry costs,” “district debt,” “excluded land,” “excluded land payment,” “excluded land’s share of district debt,” “exclusion date” and “termination date.” The bill provides that:

- Excluded land that has been pledged as security for any outstanding debt of the district created by the authority of either Sections 52(b)(1) and (2), Article III, or Section 59, Article XVI, Texas Constitution remains pledged for the excluded land’s share of district debt until the excluded land payment is paid.
- A district is entitled to continue to levy and collect debt service taxes on the excluded land until the termination date at the same rate those taxes are levied on the land remaining in the district.
- From the exclusion date to the termination date, the excluded land remains in the district for the limited purpose of assessment and collection of such taxes.
- After the termination date, the excluded land is excluded from the district for all purposes, and the district may not levy any further tax on the excluded land.
- The district is required to apply the taxes collected on the excluded land only to payment of the excluded land payment, which shall be reduced by the amount of taxes collected.
- A person is entitled to pay to the district the excluded land payment, in whole or in part, at any time on or after the exclusion date by delivering payment to the district tax assessor-collector.

The bill provides procedures for partial payments and carry costs.

Effective Sept. 1, 2013.

Section 49.3078

HB 1324 adds the section, “Petition for Exclusion: Additional Duties” to require a landowner who signs a petition for the exclusion of land that is filed under Water Code Section 49.3076 with a district created by the authority of either Sections 52(b)(1) and (2), Article III, or Section 59, Article XVI, Texas Constitution to submit a copy of the petition to TCEQ. The bill requires the executive director, on receipt of a copy of the petition, to review the most recent financial information of the



applicable district, including specified items, to confirm that an exclusion of land conducted in accordance with Water Code Sections 49.3076 and 49.3077, does not adversely affect the interests of district bondholders. The bill requires the executive director to notify the landowner and the district when the review is complete.

Effective Sept. 1, 2013.

Section 49.312

HB 1324 amends subsection (a) to provide an exception to the provision that, on issuance of an order excluding property, that property is no longer a part of the district created by authority of either Sections 52(b)(1) and (2), Article III, or Section 59, Article XVI, Texas Constitution and is not entitled to water service from the district.

The bill amends subsection (c) to provide an exception to the provision that, once land is excluded, the landowner has no further liability to the district for future taxes, assessments, or other charges of the district.

Effective Sept. 1, 2013.

Section 49.351

SB 902 amends subsection (a) to provide that the authorization for a district created by the authority of either Sections 52(b)(1) and (2), Article III, or Section 59, Article XVI, Texas Constitution to provide for a fire department may be done separately or jointly with another district, city, or other political subdivision. The bill provides for these services to be financed with property taxes and voluntarily contributions, along with the pre-existing authorization to issue bonds and mandatory fees.

The bill amends subsection (b) to provide that after complying with the requirements of this section a district or districts may provide for an adequate system and water supply for fire-fighting purposes, purchase necessary land, construct and purchase necessary facilities and equipment, and employ or contract with a fire department to employ all necessary personnel.

The bill amends subsection (c) to provide that bonds and property taxes must be authorized and may be issued or imposed as provided by law as specified for financing a plan for a fire department.

The bill amends subsection (f) to provide that the requirement that a district comply with subsections (g), (h), and (i) must be fulfilled before a district imposes a property tax or issues bonds payable wholly or partly from property taxes to finance the establishment of a fire department.

The bill amends subsection (i) to modify requirements of elections held by a district to require that a district hold an election to approve a plan of a proposed fire department, approve bonds payable wholly or partly from property taxes, and impose property taxes for financing the plan. The bill also strikes specified ballot language.

The bill modifies subsection (l) to strike language that the authorization of a district providing potable water or sewer service to household users to collect from customers a voluntary contribution on behalf of organizations providing fire-fighting services is notwithstanding the requirements of subsections (a)-(j).

The bill adds subsection (m) to provide that if a customer makes a partial payment of a district bill for water or sewer service and includes with the payment a voluntary contribution for fire-fighting services under subsection (l), the district is required to apply the voluntary contribution first to the bill for water or sewer service, including any interest or penalties imposed. The district is required to use any amount remaining for fire-fighting services.

Effective Sept. 1, 2013.

Section 49.462

SB 902 amends this section to modify the definition of “recreational facilities” for Subchapter N, Recreational Facilities to provide that the term does not include a minor improvement or beautification project to land acquired or to be acquired as part of the water, sewer, or drainage facilities of a district created by authority of either Sections 52(b)(1) and (2), Article III, or Section 59, Article XVI, Texas Constitution.

Effective Sept. 1, 2013.

Section 49.4641

SB 902 adds this section relating to recreational facilities on sites acquired for water, sewer, or drainage facilities.

The bill adds subsection (a) to authorize a district created by the authority of either Sections 52(b)(1) and (2), Article III, or Section 59, Article XVI, Texas Constitution to develop and maintain recreational facilities on a site acquired for the purpose of developing water, sewer, or drainage facilities.

The bill adds subsection (b) to provide that a district is not required to prorate the costs of a site described by subsection (a) between the primary water, sewer, or drainage purpose and any secondary recreational facilities purpose if a licensed professional engineer certifies that the site is reasonably sized for the intended water, sewer, or drainage purpose.

The bill adds subsection (c) to authorize the engineer to consider specified factors in determining the reasonableness of the size of a water, sewer, or drainage site.

Effective Sept. 1, 2013. Not later than Dec. 1, 2014, TCEQ is required to adopt any rules or amendments to existing rules necessary to implement this section.

Section 49.4645

SB 902 amends subsection (a) to modify the authorization of specified districts created by the authority of either Sections 52(b)(1) and (2), Article III, or Section 59, Article XVI, Texas Constitution to issue bonds supported by property taxes to



pay for recreational facilities to provide that the bonds must be authorized by a majority of the voters in the district, rather than qualified voters, voting in an election for that purpose. The bill provides that the outstanding principal amount of bonds, notes, and other obligations issued to finance parks and recreational facilities that are supported by contract taxes under Water Code Section 49.108 may not exceed an amount equal to one percent of the value of the taxable property in the districts making payments under the contract. To establish the value of the taxable property in a district under this section, the district may use an estimate of the value provided by the central appraisal district.

The bill amends subsection (b) to modify when a board is required to file a park plan for public review to on or before the 10th day before the first day for early voting by personal appearance at an election held to authorize the issuance of bonds for the development and maintenance of recreational facilities. The park plan may be amended at any time after the election held to authorize the issuance of these bonds. The estimated cost stated in the amended park plan may not exceed the amount of bonds authorized at that election.

Effective Sept. 1, 2013.

Section 51.072

SB 902 amends this section, relating to the qualifications for a director on the board of directors of a water control and improvement district, to create subsection (a) and (b) from pre-existing language and to provide that if a person meets other qualification requirements, a person who is a qualified voter in the district or owns land subject to taxation by the district qualifies for election as a director.

Effective Sept. 1, 2013.

Section 51.091

SB 611 adds this section relating to projects of certain districts.

The bill adds subsection (a) to provide that in this section, “preservation district” means a district defined by Water Code Chapter 54 and created by special law with the power to promote the preservation of fish and other wildlife within its boundaries.

The bill adds subsection (b) to provide that a water supply project financed, in whole or in part, with water development bonds, as defined under Water Code Section 16.001, that is undertaken by a district having operations or facilities located in not less than four counties, and that is included in a regional water plan under Water Code Section 16.053, is of fundamental and paramount importance and is to be given priority over the activities, rules, regulations, ordinances, or any requirement for a permit, bond, or fee of a preservation district, which shall be inapplicable to the construction of the project.

The bill adds subsection (c) to provide that the governmental immunity of a preservation district is waived in an action brought by a district described in subsection (b) for the acquisition of

land, easements, or other property for a project described in subsection (b), if the preservation district is the owner of the land or property.

The bill adds subsection (d) to provide that notwithstanding any other law, the venue shall lie in Travis County for an action described in subsection (c) and brought by a district described in subsection (b).

The bill adds subsection (e) to provide that this section expires Sept. 1, 2039.

Effective Sept. 1, 2013. A district whose fiscal year begins on a date other than Sept. 1 is not required to comply with the changes in law made by this Act that apply to the district until the beginning of the district’s next fiscal year following the effective date.

Section 51.301

SB 611 amends subsection (a) to provide that the requirement that each person who desires to receive irrigation water at any time during the year must furnish the secretary of the water control and improvement district board a written statement applies if it is required by the board.

Effective Sept. 1, 2013. A district whose fiscal year begins on a date other than Sept. 1 is not required to comply with the changes in law made by this Act that apply to the district until the beginning of the district’s next fiscal year following the effective date.

Section 51.302

SB 611 amends subsections (a), (b), (c), and (d) to replace references to “water” with “irrigated water” and a reference to “land” with “acreage.”

Effective Sept. 1, 2013. A district whose fiscal year begins on a date other than Sept. 1 is not required to comply with the changes in law made by this Act that apply to the district until the beginning of the district’s next fiscal year following the effective date.

Section 51.303

SB 611 amends this section to modify the pre-existing authorization of a water control and improvement district board to adopt, alter, and rescind rules, regulations, and standing temporary orders as specified to govern assessments, charges, fees, rentals, or deposits for maintenance and operation and for the payment and enforcement of these payments. The bill modifies language to provide that a pre-existing authorization of the board applies, if required, to allow the board to furnish water to persons who did not apply for it before the assessment date, or to furnish water to persons who wish to take water for irrigation in excess of their original applications or for use on land not covered by their original applications.

Effective Sept. 1, 2013. A district whose fiscal year begins on a date other than Sept. 1 is not required to comply with the changes in law made by this Act that apply to the district until the beginning of the district’s next fiscal year following the effective date.



Section 51.304

SB 611 amends this section relating to the water control and improvement district board's estimate of maintenance and operating expense to provide for the estimate of the expenses of maintaining and operating the district's water delivery system (rather than irrigation system) for the next 12 months.

Effective Sept. 1, 2013. A district whose fiscal year begins on a date other than Sept. 1 is not required to comply with the changes in law made by this Act that apply to the district until the beginning of the district's next fiscal year following the effective date.

Section 51.305

SB 611 amends subsection (a) to require a water control and improvement district board to allocate a portion of the estimated maintenance and operating expenses that shall be paid by assessment against all land in the district to which the district can furnish irrigation water through its water delivery system or through an extension of its water delivery system. This assessment is required to be levied against all irrigable land in the district on a per acre basis, whether or not the land is actually irrigated. The bill strikes language that not less than one-third nor more than two-thirds of the estimated maintenance and operating expenses shall be paid by assessment against all land in the district to which the district can furnish water.

The bill amends subsection (b) to strike language that assessments shall be levied against all irrigable land in the district on a per acre basis, whether or not the land is actually irrigated. The bill modifies the requirement that the water control and improvement district board determine from year to year the proportionate amount of the expenses which will be borne by water users to provide that this is a determination for all water users receiving water delivery from the district.

The bill amends subsection (c) to provide that the remainder of the estimated expenses is required to be paid by assessments, charges, fees, rentals, or deposits required of persons in the district who use or who make application to use water. The bill strikes language that the district board prorate the remainder as equitably as possible and modifies the board's considerations in the proration to include the amount of water per acre used for irrigation purposes and other factors deemed appropriate by the board with respect to water used for other nonirrigation uses.

The bill adds subsection (d) to authorize a landowner of irrigable land in the district or a user of water delivered by the district for any purpose other than irrigation who disputes all or a part of a board order that determines the amount of an assessment, charge, fee, rental, or deposit may file a petition under Water Code Section 11.041. That petition filed with TCEQ is the sole remedy available to a landowner or user of water described by this subsection.

Effective Sept. 1, 2013. A district whose fiscal year begins on a date other than Sept. 1 is not required to comply with the changes in law made by this Act that apply to the district until the beginning of the district's next fiscal year following the effective date.

Section 51.306

SB 611 amends subsection (a) to provide that the requirement that public notices of all assessments be given by posting the printed notice applies to notices of assessments imposed under Water Code Section 51.305(a) and to require that the notice be posted in one public place, rather than three public places, in the water control and improvement district.

The bill amends subsection (b) to provide a deadline of not later than the fifth day before the date on which the assessment is due to the pre-existing requirement that a notice be mailed to each landowner at the address which the landowner furnished to the district board.

The bill amends subsection (c) to strike language that a notice be posted in a public place and mailed to each landowner five days before the assessment is due.

Effective Sept. 1, 2013. A district whose fiscal year begins on a date other than Sept. 1 is not required to comply with the changes in law made by this Act that apply to the district until the beginning of the district's next fiscal year following the effective date.

Section 51.307

SB 611 amends subsection (a) to provide that the requirement that all assessments be paid in installments at the times fixed by the water control and improvement district board applies to assessments imposed under Water Code Section 51.305(a).

Effective Sept. 1, 2013. A district whose fiscal year begins on a date other than Sept. 1 is not required to comply with the changes in law made by this Act that apply to the district until the beginning of the district's next fiscal year following the effective date.

Section 51.308

SB 611 amends subsection (a) to provide that the assessments that an assessor and collector or other person designated by the water control and improvement district board is required to collect applies to all assessments imposed under Water Code Section 51.305(a).

The bill amends subsections (b) and (c) to replace "he" with "assessor and collector."

The bill amends subsection (c) to require the assessor and collector to file with the secretary of the board a statement of all money collected each month, rather than each week.

Effective Sept. 1, 2013. A district whose fiscal year begins on a date other than Sept. 1 is not required to comply with the changes in law made by this Act that apply to the district until the beginning of the district's next fiscal year following the effective date.

Section 51.309

SB 611 amends subsection (a) to provide that the requirement that water control and improvement districts have a first lien, superior to all other liens, against all crops grown on a tract of land in the district to secure the payment of assessments applies



to an assessment imposed against the tract under Water Code Section 51.305(a).

The bill adds subsection (b) to provide that if the crops against which the district has a lien under this section are cultivated on a basis other than annual replanting, the owner of the crops shall record with the county clerk of the county where the land on which the crops are cultivated is located a legally sufficient description of the land, including a metes and bounds description or a plat reference.

Effective Sept. 1, 2013. A district whose fiscal year begins on a date other than Sept. 1 is not required to comply with the changes in law made by this Act that apply to the district until the beginning of the district's next fiscal year following the effective date.

Section 51.310

SB 611 amends this section to provide that the requirement that assessments not paid when due become delinquent on the first day of the month following the date payment is due applies to assessments imposed under Water Code Section 51.305(a). The bill strikes language that the water control and improvement district board posts in a public place in the district a list of all persons who are delinquent in paying their assessments.

Effective Sept. 1, 2013. A district whose fiscal year begins on a date other than Sept. 1 is not required to comply with the changes in law made by this Act that apply to the district until the beginning of the district's next fiscal year following the effective date.

Section 51.311

SB 611 adds subsection (a) from pre-existing language and modifies provisions relating to cutting off the water supply to provide that if a landowner fails or refuses to pay any water assessment or a person fails to pay a charge, fee, rental, or deposit imposed under Water Code Chapter 51, Water Control and Improvement Districts or Water Code Chapter 49, Provisions Applicable to All Districts when due, the landowner's or person's water supply shall be cut off, and no water shall be furnished to the land until all back assessments or other amounts owed to the water control and improvement district are fully paid. The bill provides that the discontinuance of water service is binding on all persons who own or acquire any interest in land for which amounts owed to the district are due.

The bill adds subsection (b) to provide that a landowner or person whose water service has been discontinued under subsection (a) may request that the water control and improvement district board reconsider the discontinuance related to a charge, fee, rental, deposit, or penalty, and may not request that the board reconsider a discontinuance related to an assessment. If the board declines to reconsider the discontinuance, the landowner or person may file a petition under Water Code Section 11.041. That petition filed with TCEQ is the sole remedy available to a landowner or person described by this subsection.

Effective Sept. 1, 2013. A district whose fiscal year begins on a date other than Sept. 1 is not required to comply with the changes in

law made by this Act that apply to the district until the beginning of the district's next fiscal year following the effective date.

Section 51.312

SB 611 amends this section to provide that suits for amounts owed to the water control and improvement district under Subchapter G, Water Charges and Assessments may be brought either in the county in which the district is located or in the county in which the defendant resides. The bill provides that the requirement that all landowners are personally liable for assessments applies to assessments imposed under Water Code Section 51.305(a).

Effective Sept. 1, 2013. A district whose fiscal year begins on a date other than Sept. 1 is not required to comply with the changes in law made by this Act that apply to the district until the beginning of the district's next fiscal year following the effective date.

Section 51.313

SB 611 amends subsection (a) to provide that the requirement that all assessments bear interest from the date payment is due at the rate of 15 percent a year applies to assessments imposed under Water Code Section 51.305(a).

Effective Sept. 1, 2013. A district whose fiscal year begins on a date other than Sept. 1 is not required to comply with the changes in law made by this Act that apply to the district until the beginning of the district's next fiscal year following the effective date.

Section 51.335

SB 902 amends subsection (b) to add an exception as provided by subsection (c) to the prohibition of a water control and improvement district from usurping functions or duplicating a service already adequately exercised or rendered by the other governmental agency.

The bill adds subsection (c) to authorize a district to finance, develop, and maintain recreational facilities under Subchapter N, Chapter 49, Water Code even if similar facilities may be provided by a political subdivision or other governmental entity included wholly or partly in the district.

Effective Sept. 1, 2013.

Section 51.523

SB 902 amends this section to modify the ballot language for an election under Subchapter L, Tax Plan to include language specifying the levy of a maintenance tax by a water control and improvement district.

Effective Sept. 1, 2013.

Section 51.527

SB 902 adds subsection (c) to provide that after bonds issued for a defined area or designated property are fully paid or defeased, the board of directors of a water control and improvement district may declare the defined area dissolved or may repeal the



designation of the designated property. After that declaration or repeal, the board is required to cease imposing any special taxes authorized under the adopted tax plan on the property located in the defined area or on the designated property.

Effective Sept. 1, 2013.

Section 54.016

SB 902 amends subsection (f) to specify that the authorization for a city to provide written consent for the inclusion of land in a municipal utility district applies to a district that is initially located wholly or partly outside the corporate limits of the city.

Effective Sept. 1, 2013. The Legislature finds that an agreement entered into before Sept. 1, 2013, by a city and a city utility district is an allocation agreement only if the district is initially located wholly or partly outside the corporate limits of the city; the agreement strictly complies with the requirements of subsection (f), Section 54.016, Water Code, as that section existed immediately before the effective date; and the agreement is specifically designated by the parties to the agreement as an "allocation agreement" under subsection (f), Section 54.016, Water Code.

Section 54.0161

HB 738 amends subsection (a) to provide that the section applies only to a proposed municipal utility district all of which is to be located outside the corporate limits of a city.

The bill adds subsection (a-1) to provide that, promptly after a petition is filed with TCEQ to create a district to which this section applies, TCEQ is required to notify the commissioners court of any county in which the proposed municipal utility district is to be located.

The bill adds subsection (a-2) to provide that the commissioners court of a county in which the municipal utility district is to be located may review the petition for creation and other evidence and information relating to the proposed district that the commissioners consider necessary. The bill requires petitioners for the creation of a municipal utility district to submit to the county commissioners court any relevant information requested by the commissioners court.

The bill amends subsection (b) to provide that in the event the county commissioners court votes to submit information to TCEQ or to make a recommendation regarding the creation of the proposed district (rather than in the event of a review) the commissioners court is required to submit to TCEQ, at least 10 days before the date set for action (rather than set for the hearing) on the petition, a written opinion stating:

- whether the commissioners court recommends (rather than county would recommend) the creation of the proposed district, and
- any findings, conclusions and other information that the commissioners court thinks (rather than commissioners think) would assist TCEQ in making a final determination on the petition.

The bill amends subsection (c) to provide that in passing on a petition subject to this section (rather than under this subchapter), TCEQ is required to consider the written opinion submitted by the county commissioners court (rather than county commissioners).

Effective Sept. 1, 2013, and applies only to a petition for the creation of a municipal utility district that is filed with TCEQ on or after the effective date.

Section 54.236

SB 902 amends subsection (a) to modify the authorization of a municipal utility district to purchase, install, operate, and maintain street lighting or security lighting to include lighting within public utility easements or public rights-of-way or property owned by the district.

The bill amends subsection (b) to provide an exception as authorized by Water Code Section 54.234 or Subchapter N, Chapter 49, Water Code to the prohibition of a district from issuing bonds supported by property taxes to pay for the purchase, installation, and maintenance of street or security lighting.

Effective Sept. 1, 2013.

Section 54.739

SB 902 amends this section to modify when a municipal utility district may exclude land that does not need or utilize the services of the district and include other land not within the boundaries of the district after the district organized and has obtained voter approval for the issuance of, or has sold, bonds payable wholly or partly from property taxes.

Effective May 18, 2013.

Section 54.744

SB 902 amends this section, relating to impairment of security, to create subsection (a) from pre-existing language.

The bill adds subsection (b) to modify pre-existing language relating to lands proposed for inclusion in a district. The bill provides that such lands are sufficient to avoid an impairment of the security for payment of the district's obligations at the time the board considers an application if the projected net revenues from the included lands equals or exceeds the projected net revenues from excluded lands.

The bill adds subsection (c) to provide that in this section, the taxable value of included land means the market value of the land if, before or contemporaneously with the inclusion of the land in the district, the owner of the land waives the right to special appraisal of the land as to the district under Tax Code Section 23.20.

Effective May 18, 2013.



Section 55.351

SB 611 amends this section to provide that the requirement that a person who desires to receive irrigation water at any time during the year furnish the secretary of the water improvement district board a written statement of the acreage the person intends to irrigate and the different crops the person intends to plant with the acreage of each crop applies if it is required by the board.

Effective Sept. 1, 2013. A district whose fiscal year begins on a date other than Sept. 1 is not required to comply with the changes in law made by this Act that apply to the district until the beginning of the district's next fiscal year following the effective date.

Section 55.352

SB 611 amends this section relating to the water improvement district board's estimate of maintenance and operating expense to provide for the estimate of the expenses of maintaining and operating the district's water delivery system (rather than irrigation system).

Effective Sept. 1, 2013. A district whose fiscal year begins on a date other than Sept. 1 is not required to comply with the changes in law made by this Act that apply to the district until the beginning of the district's next fiscal year following the effective date.

Section 55.354

SB 611 amends subsection (a) to require a water improvement district board to allocate a portion of the estimated maintenance and operating expenses that shall be paid by assessment against all land in the district to which the district can furnish irrigation water through its water delivery system or through an extension of its water delivery system. This assessment is required to be levied against all irrigable land in the district on a per acre basis, whether or not the land is actually irrigated. The bill strikes language that not less than one-third nor more than two-thirds of the estimated maintenance and operating expenses shall be paid by assessment against all land in the district to which the district can furnish water.

The bill amends subsection (b) to modify the requirement that the water improvement district board determine from year to year the proportionate amount of the expenses which will be borne by water users to provide that this is a determination for all water users receiving water delivery from the district.

The bill amends subsection (c) to provide that the remainder of the estimated expenses is required to be paid by assessments, charges, fees, rentals, or deposits required of persons in the district who use or who make application to use water. The bill strikes language that the district board prorate the remainder as equitably as possible and modifies the board's considerations in the proration to include the amount of water per acre used for irrigation purposes and other factors deemed appropriate by the board with respect to water used for other nonirrigation uses.

The bill amends subsection (d) to replace a reference to "water" with "irrigation water."

The bill adds subsection (e) to authorize a landowner of irrigable land in the district or a user of water delivered by the district for any purpose other than irrigation who disputes all or a part of a board order that determines the amount of an assessment, charge, fee, rental, or deposit to file a petition under Water Code Section 11.041. That petition filed with TCEQ is the sole remedy available to a landowner or user of water described by this subsection.

Effective Sept. 1, 2013. A district whose fiscal year begins on a date other than Sept. 1 is not required to comply with the changes in law made by this Act that apply to the district until the beginning of the district's next fiscal year following the effective date.

Section 55.355

SB 611 amends subsection (a) to provide that the requirement that public notices of all assessments be given by posting the printed notice applies to notices of assessments imposed under Water Code Section 55.354(a) and to require that the notice be posted in one public place, rather than three public places, in the water improvement district.

The bill amends subsection (b) to provide a deadline of not later than the fifth day before the date on which the assessment is due to the pre-existing requirement that a notice be mailed to each landowner at the address which the landowner furnished to the district board.

The bill amends subsection (c) to strike language that a notice be posted in a public place and mailed to each landowner five days before the assessment is due.

Effective Sept. 1, 2013. A district whose fiscal year begins on a date other than Sept. 1 is not required to comply with the changes in law made by this Act that apply to the district until the beginning of the district's next fiscal year following the effective date.

Section 55.356

SB 611 adds subsection (a) and (b) from pre-existing language and provides that the assessments required to be paid in installments at the times fixed by the water improvement district board applies to assessments imposed under Water Code Section 55.354(a).

Effective Sept. 1, 2013. A district whose fiscal year begins on a date other than Sept. 1 is not required to comply with the changes in law made by this Act that apply to the district until the beginning of the district's next fiscal year following the effective date.

Section 55.357

SB 611 amends subsection (a) to provide that the assessments that an assessor and collector of taxes or other person designated by the water improvement district board is required to collect applies to all assessments imposed under Water Code Section 55.354(a).



The bill amends subsections (b), (c), and (d) to replace references of “he” with “assessor and collector.”

The bill amends subsection (c) to require the assessor and collector to file with the secretary of the board a statement of all money collected each month, rather than each week.

Effective Sept. 1, 2013. A district whose fiscal year begins on a date other than Sept. 1 is not required to comply with the changes in law made by this Act that apply to the district until the beginning of the district’s next fiscal year following the effective date.

Section 55.358

SB 611 amends subsections (a), (b), (c), and (d) to replace “water” with “irrigated water,” and a reference to “land” with “acreage.”

Effective Sept. 1, 2013. A district whose fiscal year begins on a date other than Sept. 1 is not required to comply with the changes in law made by this Act that apply to the district until the beginning of the district’s next fiscal year following the effective date.

Section 55.359

SB 611 amends subsection (a) to provide that the requirement that water improvement districts have a first lien, superior to all other liens, against all crops grown on a tract of land in the district to secure the payment of assessments applies to an assessment imposed against the tract under Water Code Section 55.354(a).

The bill adds subsection (c) to provide that if the crops against which the district has a lien under this section are cultivated on a basis other than annual replanting, the owner of the crops shall record with the county clerk of the county where the land on which the crops are cultivated is located a legally sufficient description of the land, including a metes and bounds description or a plat reference.

Effective Sept. 1, 2013. A district whose fiscal year begins on a date other than Sept. 1 is not required to comply with the changes in law made by this Act that apply to the district until the beginning of the district’s next fiscal year following the effective date.

Section 55.360

SB 611 amends this section to provide that the provision that assessments not paid when due become delinquent on the first day of the month following the date payment is due applies to assessments imposed under Water Code Section 55.354(a). The bill strikes the requirement that a water improvement district board post in a public place in the district a list of all persons who are delinquent in paying their assessments. The bill provides that if a person who owes an assessment has executed a note and contract as provided in Water Code Section 55.358, the person may not be placed on the delinquent list until after the maturity of the note and contract.

Effective Sept. 1, 2013. A district whose fiscal year begins on a date other than Sept. 1 is not required to comply with the changes in

law made by this Act that apply to the district until the beginning of the district’s next fiscal year following the effective date.

Section 55.361

SB 611 adds subsection (a) from pre-existing language and modifies provisions relating to cutting off the water supply to provide that if a landowner fails or refuses to pay any water assessment or a person fails to pay a charge, fee, rental, or deposit imposed under Water Code Chapter 55, Water Improvement Districts or Water Code Chapter 49, Provisions Applicable to All Districts when due, the landowner’s or person’s water supply shall be cut off, and no water shall be furnished to the land until all back assessments or other amounts owed to the water improvement district are fully paid. The bill provides that the discontinuance of water service is binding on all persons who own or acquire any interest in land for which other amounts owed to the district are due.

The bill adds subsection (b) to provide that a landowner or person whose water service has been discontinued under subsection (a) may request that the water improvement district board reconsider the discontinuance related to a charge, fee, rental, deposit, or penalty, and may not request that the board reconsider a discontinuance related to an assessment. If the board declines to reconsider the discontinuance, the landowner or person may file a petition under Water Code Section 11.041. That petition filed with TCEQ is the sole remedy available to a landowner or person described by this subsection.

Effective Sept. 1, 2013. A district whose fiscal year begins on a date other than Sept. 1 is not required to comply with the changes in law made by this Act that apply to the district until the beginning of the district’s next fiscal year following the effective date.

Section 55.362

SB 611 amends this section to provide that suits for delinquent amounts owed to the district under Subchapter H, Water Assessments may be brought either in the county in which the irrigation district is located or in the county in which the defendant resides. All landowners are personally liable for all assessments imposed under Water Code Section 55.354(a).

Effective Sept. 1, 2013. A district whose fiscal year begins on a date other than Sept. 1 is not required to comply with the changes in law made by this Act that apply to the district until the beginning of the district’s next fiscal year following the effective date.

Section 55.363

SB 611 amends subsection (a) to provide that the provision that all assessments bear interest from the date payment is due at the rate of 15 percent a year applies to all assessments imposed under Water Code Section 55.354(a).

Effective Sept. 1, 2013. A district whose fiscal year begins on a date other than Sept. 1 is not required to comply with the changes in law made by this Act that apply to the district until the beginning of the district’s next fiscal year following the effective date.



Section 58.137

SB 611 repeals this section relating to the investigation and report by an engineer of an irrigation district.

Effective Sept. 1, 2013. A district whose fiscal year begins on a date other than Sept. 1 is not required to comply with the changes in law made by this Act that apply to the district until the beginning of the district's next fiscal year following the effective date.

Section 58.301

SB 611 amends subsection (a) to provide that the requirement that a person who desires to receive irrigation water at any time during the year furnish the secretary of the irrigation district board a written statement of the acreage the person intends to irrigate and the different crops the person intends to plant with the acreage of each crop applies if it is required by the board.

Effective Sept. 1, 2013. A district whose fiscal year begins on a date other than Sept. 1 is not required to comply with the changes in law made by this Act that apply to the district until the beginning of the district's next fiscal year following the effective date.

Section 58.302

SB 611 amends subsections (a), (b), (c), and (d) to replace references of "water" with "irrigated water" and a reference to "land" with "acreage."

Effective Sept. 1, 2013. A district whose fiscal year begins on a date other than Sept. 1 is not required to comply with the changes in law made by this Act that apply to the district until the beginning of the district's next fiscal year following the effective date.

Section 58.303

SB 611 amends this section to modify the pre-existing authorization of an irrigation district board to provide that the board may determine rules and regulations of an irrigation district board to adopt, alter, and rescind rules, and standing temporary orders as specified to govern assessments, charges, fees, rentals, or deposits for maintenance and operation and for the payment and enforcement of these payments. The bill amends a pre-existing authorization of the board to allow the board, if required, to furnish water to persons who did not apply for it before the assessment date or to persons who wish to take water for irrigation in excess of their original applications or for use on land not covered by their original applications.

Effective Sept. 1, 2013. A district whose fiscal year begins on a date other than Sept. 1 is not required to comply with the changes in law made by this Act that apply to the district until the beginning of the district's next fiscal year following the effective date.

Section 58.304

SB 611 amends this section relating to the irrigation district board's estimate of maintenance and operating expense to provide for the estimate of the expenses of maintaining and

operating the district's water delivery system (rather than irrigation system).

Effective Sept. 1, 2013. A district whose fiscal year begins on a date other than Sept. 1 is not required to comply with the changes in law made by this Act that apply to the district until the beginning of the district's next fiscal year following the effective date.

Section 58.305

SB 611 amends subsection (a) to require an irrigation district board to allocate a portion of the estimated maintenance and operating expenses that shall be paid by assessment against all land in the district to which the district can furnish irrigation water through its water delivery system or through an extension of its water delivery system. This assessment is required to be levied against all irrigable land in the district on a per acre basis, whether or not the land is actually irrigated. The bill strikes language that not less than one-third nor more than two-thirds of the estimated maintenance and operating expenses shall be paid by assessment against all land in the district to which the district can furnish water.

The bill amends subsection (b) to strike language that assessments shall be levied against all irrigable land in the district on a per acre basis, whether or not the land is actually irrigated. The bill modifies the requirement that the irrigation district board determine from year to year the proportionate amount of the expenses which will be borne by water users to provide that this is a determination for all water users receiving water delivery from the district.

The bill amends subsection (c) to provide that the remainder of the estimated expenses are required to be paid by charges, fees, rentals, or deposits (rather than assessments) required of persons in the district who use or who make application to use water and other charges approved by the irrigation district board. The bill strikes language that the irrigation district board prorate the remainder as equitably as possible and modifies the board's considerations in the proration to include the amount of water per acre used for irrigation purposes and other factors deemed appropriate by the board with respect to water used for other nonirrigation uses.

The bill adds subsection (d) to authorize a landowner of irrigable land in the district or a user of water delivered by the district for any purpose other than irrigation who disputes all or a part of a board order that determines the amount of an assessment, charge, fee, rental, or deposit to file a petition under Water Code Section 11.041. That petition filed with TCEQ is the sole remedy available to a landowner or user of water described by this subsection.

Effective Sept. 1, 2013. A district whose fiscal year begins on a date other than Sept. 1 is not required to comply with the changes in law made by this Act that apply to the district until the beginning of the district's next fiscal year following the effective date.



Section 58.306

SB 611 amends subsection (a) to provide that the requirement that public notices of all assessments be given by posting the printed notice applies to notices of assessments imposed under Water Code Section 58.305(a) and to require that the notice be posted in one public place, rather than three public places, in the irrigation district.

The bill amends subsection (b) to provide a deadline of not later than the fifth day before the date on which the assessment is due to the pre-existing requirement that a notice be mailed to each landowner at the address which the landowner furnished to the irrigation district board.

The bill amends subsection (c) to strike language that a notice be posted in a public place and mailed to each landowner five days before the assessment is due.

Effective Sept. 1, 2013. A district whose fiscal year begins on a date other than Sept. 1 is not required to comply with the changes in law made by this Act that apply to the district until the beginning of the district's next fiscal year following the effective date.

Section 58.307

SB 611 amends subsection (a) to provide that the requirement that all assessments be paid in installments at the times fixed by the irrigation district board applies to assessments imposed under Water Code Section 58.305(a).

Effective Sept. 1, 2013. A district whose fiscal year begins on a date other than Sept. 1 is not required to comply with the changes in law made by this Act that apply to the district until the beginning of the district's next fiscal year following the effective date.

Section 58.308

SB 611 amends subsection (a) to provide that the requirement that an assessor and collector or other person designated by the irrigation district board collect all assessments for maintenance and operating expenses applies to assessments imposed under Water Code Section 58.305(a).

The bill amends subsections (b) and (c) to replace “he” with “the assessor and collector.”

The bill amends subsection (c) to require the assessor and collector to file with the secretary of the irrigation board a statement of all money collected once each month, rather than once a week.

Effective Sept. 1, 2013. A district whose fiscal year begins on a date other than Sept. 1 is not required to comply with the changes in law made by this Act that apply to the district until the beginning of the district's next fiscal year following the effective date.

Section 58.309

SB 611 amends subsection (a) to provide that the provision that an irrigation district have a first lien, superior to all other liens, against all crops grown on a tract of land in the district

to secure the payment of an assessment applies to assessments imposed under Water Code Section 58.305(a).

The bill adds subsection (b) to provide that if the crops against which the district has a lien under this section are cultivated on a basis other than annual replanting, the owner of the crops is required to record with the county clerk of the county where the land on which the crops are cultivated is located a legally sufficient description of the land, including a metes and bounds description or a plat reference.

Effective Sept. 1, 2013. A district whose fiscal year begins on a date other than Sept. 1 is not required to comply with the changes in law made by this Act that apply to the district until the beginning of the district's next fiscal year following the effective date.

Section 58.310

SB 611 amends this section to provide that the provision that assessments not paid when due become delinquent on the first day of the month following the date payment is due applies to assessments imposed under Water Code Section 58.305(a). The bill strikes language that the board posts in a public place in the irrigation district a list of all persons who are delinquent in paying their assessments.

Effective Sept. 1, 2013. A district whose fiscal year begins on a date other than Sept. 1 is not required to comply with the changes in law made by this Act that apply to the district until the beginning of the district's next fiscal year following the effective date.

Section 58.311

SB 611 amends subsection (a) to provide that if a landowner fails or refuses to pay a water assessment or a person fails to pay a charge, fee, rental, or deposit imposed under Water Code Chapter 58, Irrigation Districts or Water Code Chapter 49, Provisions Applicable to All Districts when due, the landowner's or person's water supply is required to be cut off, and no water may be furnished to the land until all back assessments or other amounts owed to the irrigation district are fully paid. The discontinuance of water service is binding on all persons who own or acquire an interest in land for which assessments or other amounts owed to the district are due.

The bill adds subsection (b) to authorize a landowner or person whose water service has been discontinued under subsection (a) to request that the irrigation district board reconsider the discontinuance related to a charge, fee, rental, deposit, or penalty. The bill prohibits a request that the board reconsider a discontinuance related to an assessment. If the board declines to reconsider the discontinuance, the landowner or person is authorized to file a petition under Water Code Section 11.041. That petition filed with TCEQ is the sole remedy available to a landowner or person as described.

Effective Sept. 1, 2013. A district whose fiscal year begins on a date other than Sept. 1 is not required to comply with the changes in law made by this Act that apply to the district until the beginning of the district's next fiscal year following the effective date.



Section 58.312

SB 611 amends this section to provide that suits for amounts owed to the irrigation district under Subchapter G, Water Charges and Assessments may be brought either in the county in which the district is located or in the county in which the defendant resides.

The bill provides that the requirement that all landowners are personally liable for assessments applies to assessments imposed under Water Code Section 58.305(a).

Effective Sept. 1, 2013. A district whose fiscal year begins on a date other than Sept. 1 is not required to comply with the changes in

law made by this Act that apply to the district until the beginning of the district's next fiscal year following the effective date.

Section 58.313

SB 611 amends subsection (a) to provide that the requirement that all assessments bear interest from the date payment is due at the rate of 15 percent a year applies to assessments imposed under Water Code Section 58.305(a).

Effective Sept. 1, 2013. A district whose fiscal year begins on a date other than Sept. 1 is not required to comply with the changes in law made by this Act that apply to the district until the beginning of the district's next fiscal year following the effective date.

Texas Constitution

Article VIII, Section 1-b

HJR 24 amends subsection (j) to make a conforming change.

The resolution adds subsection (l) to authorize the Legislature to provide by general law that a partially disabled veteran is entitled to a property tax exemption of a percentage of the market value of his or her residence homestead that is equal to his or her disability percentage if a charitable organization donated the residence homestead at no cost to the disabled veteran. The resolution authorizes the Legislature to provide additional eligibility requirements. The resolution defines "partially disabled veteran" as a disabled veteran as described by Article VIII, Section 2(b) who is certified as having a disability rating of less than 100 percent, but a limitation or restriction on a disabled veteran's entitlement to, or the amount of, an exemption under Article VIII, Section 2(b) does not apply to an exemption under this subsection.

This amendment will be put before voters in an election to be held Nov. 5, 2013.

HJR 62 adds subsection (l) to authorize the Legislature to provide that the surviving spouse of a U.S. armed services member who is killed in action is entitled to a property tax exemption of all or part of the market value of the surviving spouse's residence homestead if the surviving spouse has not remarried since the death of the armed services member.

The resolution adds subsection (m) to authorize the Legislature by general law to provide that a surviving spouse who qualifies for and receives an exemption in accordance with subsection (l) and who subsequently qualifies a different property as the surviving spouse's residence homestead is entitled to a property tax exemption of the subsequently qualified homestead if the surviving spouse has not remarried since the death of the armed services member. The amount of this exemption is equal to the dollar amount of the property tax exemption of the first homestead for which the exemption was received in accordance with subsection (l) in the last year in which the surviving spouse

received the exemption in accordance with that subsection for that homestead.

This amendment will be put before the voters in an election to be held on Nov. 5, 2013. If approved by voters, these sections are Effective Jan. 1, 2014, and apply only to a tax year beginning on or after that date.

Article VIII, Section 1-J

HJR 133 amends subsection (a) to make a clarifying change and to provide that, if applicable, a later date (rather than 175 days after the date the person acquired or imported the property in this state) established by the governing body of the political subdivision under subsection (d) is the latest date by which certain goods, wares, merchandise, other tangible personal property and ores, other than oil, natural gas, and other petroleum products must be transported outside of this state to remain eligible for a property tax exemption.

The resolution adds subsection (d) to authorize the governing body of certain political subdivisions to extend by official action the number of days that qualifying aircraft parts may remain in this state (previously 175 days with no extension) before losing eligibility for a property tax exemption commonly referred to as a "freoport exemption." The resolution provides that 730 days is the maximum number of days that a governing body may permit qualifying aircraft parts to remain in this state and remain eligible for a freoport exemption, and that an extension adopted by official action under this subsection applies only to the property tax exemption by the political subdivision adopting the extension. The resolution authorizes the Legislature to provide by general law the manner by which the governing body may extend the period of time.

This amendment will be put before voters in an election to be held Nov. 5, 2013, and if adopted takes effect Jan. 1, 2014, and applies only to a tax year that begins on or after that date.

Article XVI, Section 50

SJR 18 amends subsection (k) to modify the definition of "reverse mortgage" to include that it is an extension of credit:



- for the purchase of homestead property that the borrower will occupy as a principal residence,
- that requires no payment of principal or interest until the borrower fails to timely occupy a homestead property as the borrower's principal residence within a specified period after the date the extension of credit is made that is stipulated in the written agreement creating the lien on the property if the extension of credit is used for the purchase of homestead property,
- that is not made unless the prospective borrower and the spouse of the prospective borrower attest in writing that the prospective borrower and the prospective borrower's spouse received counseling regarding the advisability and availability of reverse mortgages and other financial alternatives that was completed not earlier than the 180th day nor later than the 5th day before the date the extension of credit is closed, and
- that is not closed before the 12th day after the date the lender provides to the prospective borrower a prescribed written notice on a separate instrument, which the lender or

originator and the borrower must sign for the notice to take effect (rather than a requirement that a lender make specified disclosures).

Among other items, the prescribed written notice includes a notice that a reverse mortgage may require an elderly homeowner to forgo any previously approved deferral of collection of homestead property taxes and pay property taxes on an annual basis and includes a notice that a lender may foreclose the reverse mortgage and the homeowner could lose the home if the homeowner does not pay the taxes or other assessments on the home even if the homeowner is eligible to defer payment of property taxes.

This amendment will be put before the voters in an election to be held on Nov. 5, 2013.

Property Tax Information Services
www.window.state.tx.us
Call toll free in Texas 1-800-252-9121
In Austin, call 512-305-9999

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