

# Bills Passed in the 2009 Session of the Texas Legislature

(Update as of September 15, 2009)

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The Texas Legislature passed the following bills, which are organized by subject matter. Some bills are listed several times because they addressed multiple subjects. The Governor signed most bills, let a few become law without his signature and vetoed one bill. After each bill summary, there is a comment about the bill’s effective date. All references to section numbers are to the Texas Tax Code unless otherwise indicated. Updates to this document may be found at [pbfc.com](http://pbfc.com).

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**Appraisal District Organization & Authority**

COMPTROLLER’S PROPERTY VALUE STUDY CHANGED TO EVERY TWO YEARS AND INCLUDES AN APPRAISAL DISTRICT’S REVIEW

**HB 8 Otto**

Amends Secs. 403.3011, 403.304, Gov’t Code;

This bill changes the Comptroller’s annual study to a study of a school district at least every two years for school districts which had a valid finding in the previous study of that school district. If a school district had a previous finding of invalid in the previous study, then that school district would also have a ratio study in the subsequent year. Not all school districts would be studied in the same year. It changes the definition of an “eligible school district” whose local value is valid and used for state funding. An eligible school district’s local value is valid if in the most recent study the school’s value is invalid, the school district received local value in the two preceding studies and the school district’s appraisal district is in

compliance with the scoring requirement of the Comptroller’s appraisal standards review, to be named MAP (Method and Assistance Program).

The bill creates a Comptroller’s Property Value Study Advisory Committee composed of a state senator, state representative, two people chosen by the Comptroller to represent appraisal districts, two people chosen by the Comptroller to represent school districts, three Texas residents with school taxation or ratio studies expertise appointed by the Comptroller. The Comptroller shall adopt property value study rules after consulting with this Committee. A school district, appraisal district or other governmental entity shall comply promptly to an oral or written request by the Comptroller for confidential information. The Comptroller shall review appraisal districts operations, taxpayer assistance and appraisal procedures once every two years. Failing to implement the Comptroller’s report recommendation triggers a notification to the Board of Tax Professional Examiners (or its successor) to ensure that recommendations are implemented. District judges will no longer be authorized to appoint a board of conservators to operate the appraisal districts that fail to implement the Comptroller’s recommendations.

**Status: Governor signed 6/19/09; Effective 1/1/10.**

HOME ADDRESS OF THE SPOUSE OF FEDERAL OR STATE JUDGE CONFIDENTIAL

**SB 281 Nelson**

Amends 25.025 & sections of Election Code

This bill extends the protection of nondisclosure to information that identifies the home address of the spouse of a federal or state judge who has requested that it be confidential.

**Status: Governor signed 6/19/09; Effective 9/1/09.**

HOME ADDRESS INFORMATION CONFIDENTIAL  
FOR A JUSTICE OF THE PEACE

**HB 559 Hernandez**

Amends 25.025 & sections of Election and Government  
Codes

This bill extends the protection of nondisclosure to  
information that identifies the home address of a justice of  
the peace who has requested that it be confidential. The  
bill defines state judge to include a justice of the peace.

**Status: Governor signed 6/19/09; Effective 9/1/09.**

AGENT FIDUCIARY FORM CAN'T BE SIGNED BY  
AGENT; MUST BE FILED WITH DISTRICT

**HB 1203 Elkins**

Amends 1.111

This bill requires that agent fiduciary designations be filed  
on the comptroller's form, that it cannot be signed by the  
agent (reversing an Attorney General's opinion) and  
requiring that it be filed with the appraisal district to be  
effective.

**Status: Governor signed 5/26/09; Effective immediately  
5/26/09 on Governor's signature.**

HOME ADDRESS OF FEDERAL LAW  
ENFORCEMENT OFFICERS CONFIDENTIAL

**SB 390 Patrick**

Amends 25.025(a); Sec. 552.1175, Gov't Code

This bill requires the confidentiality of home address  
information of federal law enforcement officers, including  
a criminal investigator and a police officer or inspector of  
the U. S. Federal Protective Service, in local tax appraisal  
records.

**Status: Governor signed 6/19/09; Effective 9/1/09.**

CERTAIN APPRAISAL DISTRICTS REQUIRED TO  
PROVIDE HEALTH BENEFITS TO ITS RETIREES

**SB 654 Zaffirini**

Amends Ch. 175, Local Gov't Code

This bill requires continued health insurance coverage for  
retired and early retiree employees of certain political  
subdivisions, including an appraisal district in a county  
with a population of 75,000 or more. If the appraisal  
district's current health benefits does not allow for retirees,  
the district shall require that any new plan adopted by the  
appraisal district on or after January 1, 2010 shall provide  
such coverage. For persons who choose not to use the early  
retiree health benefits may choose a comparable level of  
coverage to active employees.

**Status: Governor signed 6/19/09; Effective  
immediately 6/19/09 on Governor's signature.**

CONFIDENTIAL INFORMATION MAY BE  
RELEASED TO APPRAISAL DISTRICT, SCHOOL  
DISTRICT OR THEIR AGENTS FOR AUDITING  
CAD OPERATIONS OR PREPARING PVS  
APPEALS

**HB 2941 Paxton**

Amends 22.27; Sec. 552.148, Gov't Code

This bill provides that the Comptroller must give  
confidential information to a property owner, school  
district, appraisal district, or their agents in preparing a  
Property Value Study appeal and from any appraisal  
district involved in that appeal. The appraisal district  
must give confidential information to an employee or  
agent of a taxing unit who is auditing or monitoring the  
appraisal district operations and to the school district's  
employee or agent who is preparing an appeal to the  
Comptroller's Property Value Study. The comparable  
sales data relates to real property in a county with a  
population of 20,000 or more.

**Status: Governor signed 6/19/09; Effective  
immediately 6/19/09 on Governor's signature.**

CONFIDENTIAL APPRAISAL INFORMATION  
LIMITED TO COUNTIES OF 20,000 POPULATIONS  
OR MORE

**SB 1813 Duncan**

Amends Sec. 552.148, Gov't Code

This bill provides that a sales price, description,  
characteristics, other related data, and comparable sales  
data related to real property is confidential for property  
located in a county with a population of 20,000 or  
more.

**Status: Governor signed 6/19/09; Effective  
immediately 6/19/09 on Governor's signature.**

CHIEF APPRAISER ASSISTS WITH DAMAGE  
ESTIMATION FROM A DISASTER EVENT

**SB 2148 Patrick**

Adds 6.053

This bill provides that the chief appraiser provide  
information and assistance on damage estimates from  
an actual or potential disaster at the request of local,  
state or federal emergency management authorities.

**Status: Governor signed 6/19/09; Effective  
immediately 6/19/09 on Governor's signature.**

## **Appraisal**

### APPRAISAL OF RESIDENCE HOMESTEADS MUST CONSIDER FORECLOSURES

#### **HB 1038 Paxton**

Amends 23.01

In valuing residential homesteads, a chief appraiser may not exclude from consideration the value of any foreclosed comparable residential properties at the time of sale in the same neighborhood for the past three years or of other property that has declined in value due to economic conditions.

**Status: Governor signed 6/19/09; Effective 1/1/10.**

### DEADLINE FOR COMPTROLLER TO CERTIFY RAILROAD ROLLING STOCK VALUE TO COUNTY CHANGED

#### **HB 1309 Otto**

Amends 24.38

This bill changes the date that the Comptroller certifies the apportioned value of railroad rolling stock to the county tax assessor-collector from August 1 to July 26. (See also the County TAC section.)

**Status: Governor signed 6/19/09; Effective 1/1/10.**

### REPORTING AND PENALTIES FOR SPECIAL INVENTORY CLARIFIED

#### **HB 2071 Oliveira**

Amends 23.121, 23.122, 23.124, 23.1241, 23.1242, 23.125, 23.127 and 23.128

This bill provides that the penalty for filing the annual declaration for each of the types of special inventories applies also to failing to timely file the declaration. The bill also requires that the monthly tax statement is required to be filed even if the dealer had no sales in that month. The dealers of special inventories include dealers of motor vehicles, boats and motors, heavy equipment or manufactured housing. (See also the County TAC section for this bill.)

**Status: Governor signed 5/23/09; Effective 9/1/09.**

### RESIDENCE HOMESTEAD APPRAISED ON RESIDENTIAL VALUE ONLY; TOTAL EXEMPTION OF HOMESTEAD OF TOTALLY DISABLED VETERAN

#### **HB 3613 Otto**

**See also HJR 36 Otto**

Adds 11.131; amends 11.22; 11.43; 11.431; 23.01; Amends Sec. 403.302, Gov't Code

This bill and constitutional amendment restricts the appraisal of residential homesteads on their residential use only and not based on the highest and best use of the property.

The bill also exempts the residence homestead of a totally disabled veteran. The constitutional authority for this exemption was passed after the previous legislative session. The loss in value due to this exemption is deducted from each school district's taxable wealth for purposes of the Comptroller's study. The bill provides that the disabled veteran's residence homestead exemption application is treated similar to the homestead exemption application: the application is not required to be filed annually and a late application may be accepted up to one year after the delinquency date. The new Sec. 11.131 for total exemption begins with the 2009 taxes. (See also the Exemption section.)

**Status: Governor signed 6/19/09; Residential value change is effective 1/1/10 if Texas voters approve the constitutional amendment 11/3/09; Disabled veteran change is effective immediately 6/19/09 on Governor's signature.**

### DETERMINATION OF MARKET VALUE OF RESIDENTIAL HOMESTEAD; CONSOLIDATED ARB; REMOVAL OF REQUIREMENT THAT LITIGATION AND OTHER ENFORCEMENT ORIGINATE LOCALLY

#### **HJR 36 Otto**

Adds Art. 8, Sec. 1(j), Tex. Const.

This bill contains three constitutional amendments: limits the appraisal of residence homestead to its value as a residence homestead, regardless of whether its residential use is the highest or best use; provides for a consolidated ARB for two or more counties; and removes the language from Art. 8, §23 that requires administrative and judicial proceedings originate in the county in which the tax is imposed. Instead, the legislature is authorized to provide for enforcement. This last change means that the legislature is free to establish a commission of appeals or similar remedy without regard to where the appeals are held. These amendments will appear as three separate items on the November ballot.

**Status: Filed with Secretary of State; Effective 1/10/10 if Texas voters approve constitutional amendment 11/3/09.**

VALUE INCREASE IS LIMITED IN THE TAX YEAR FOLLOWING A REDUCTION BY THE ARB OR COURT, UNLESS EVIDENCE SUPPORTS HIGHER INCREASE; SOLD COMPARABLE PROPERTIES MUST HAVE SOLD WITHIN 24 MONTHS OF APPRAISAL DATE; AGRICULTURAL LAND IN A DROUGHT AREA; BINDING ARBITRATION CHANGES AND AN EXPEDITED ARBITRATION PROCESS; RESTRICTION ON EX PARTE COMMUNICATION BY ARB

**SB 771 Williams**

Amends 23.01; 23.013; CH. 41A; Adds 23.522; Repeals 23.014

This bill provides that the chief appraiser shall appraise property using all available evidence specific to the property's value. If the ARB, an arbitrator, or district court reduces the appraised value, the chief appraiser may not increase the property's value in the following year, unless the chief appraiser can reasonably support by substantial evidence a larger increase when all of the reliable and probative evidence in the record is considered as a whole. If the property's value in an appeal was determined based upon an inequality appeal in the preceding year, the chief appraiser may justify the increase by showing that the inequality was corrected. The chief appraiser has the burden of proof to establish that an increase in the property's value is warranted.

When the chief appraiser uses the market comparison approach: a sale is not considered to be a comparable sale unless it occurred within 24 months of the appraisal date, unless enough comparable properties were not sold during that period to constitute a representative sample; the chief appraiser must appropriately time adjust comparable properties; and comparability must be based upon similarities in location, square footage of lot and improvements, age, condition, access, amenities, views, easements, deed restrictions or other legal burdens affecting market value.

This bill adds Sec. 23.522 which provides that eligibility for ag-use does not end due to a property not meeting the degree of intensity test if a drought declared by the governor creates an agricultural necessity that extends the normal time land is out of production and the owner intends to resume full production after the drought.

This bill expands binding arbitration for a property designated a residence homestead or is a property valued at \$1 million or less. Although, the bill removes the limitation that the arbitration is limited to the determination of appraised or market value, the bill elsewhere provides that only Section 41.41(a)(1) protests are subject to arbitration. Therefore, arbitrations continue to be limited to questions of excessive valuation, not unequal valuation or

exemption. It provides an expedited arbitration process for a \$250 filing fee that has one hour for each party to present its evidence. The Comptroller sets the rules for the process. The bill also allows attorneys to serve as arbitrators. Accountants may also serve if they complete the required 30 hours of arbitration training. The bill also requires that each arbitrator in the Comptroller's registry must reapply and also show eight hours of arbitrator training in the prior two years.

The bill limits ex parte communications to those between the ARB and its legal counsel. The bill removes the provision that restricts the communications only to those concerning the specific evidence or facts concerning a hearing currently pending before the appraisal review board. This change will restrict any communication concerning the matters listed in Sec. 41.66 (f): evidence, argument, facts, merits, or any other matters related to an owner's protest. The bill does allow for communications between the ARB and the chief appraiser or a CAD employee that is limited to and involving administration, clerical, or logistical matters of scheduling and operation of hearings, handling documents, issuing orders, subpoenas, and ARB operations. A violation of the ex parte communication changes from a Class C to a Class A misdemeanor (\$4,000 fine and one year jail time).

**Status: Governor signed 6/19/09; Effective 1/1/10.**

**Exemptions**

SAFEGUARDS FOR ABATEMENT EXEMPTIONS IN TIF/TIRZ ZONES

**SB 576 Davis**

Amends 311.010; 311.013

This bill authorizes the expenditure of TIF/TIRZ funds for construction of public works outside the zone, if needed. The bill requires that abatements in lieu of TIF/TIRZ contributions must also be approved by the TIF/TIRZ board and the governing body of each taxing unit that contributes a tax increment to the zone.

**Status: Governor signed 6/19/09; Effective immediately 6/19/09 on Governor's signature.**

MUNICIPAL TAX CEILING FOR CERTAIN ANNEXED PROPERTIES IN SMALL CITIES

**SB 252 Estes**

Adds 11.34

This bill authorizes a tax ceiling for all taxing units for property annexed into cities with a population of 10,000

or less if the property qualified for a U.S. Dept of Agriculture program. The municipality must seek the approval of voters to grant these limitations. The tax ceiling lasts for five years or until 50% of the ownership changes if there are multiple owners of the property.

**Status: Governor signed 6/19/09; Effective immediately 6/19/09 on Governor's signature.**

HOMESTEAD EXEMPTION, CEILING AND CAP ARE RETAINED DURING CONSTRUCTION OF REPLACEMENT STRUCTURE; CHAMBER OF COMMERCE EXEMPTION

**HB 770 Howard, Donna**

Adds 11.135; 11.231; Amends 11.26, 11.261, 11.27; 11.42; 11.43; 23.23

This bill permits property owners to retain their homestead exemptions, tax ceilings and appraisal caps when they seek to replace their existing home due to wind or water damage. Construction must have begun within one year after the owner moved out of the home and the owner must return to the home within two years. The bill provides for recapture of the taxes, plus seven percent interest, for the exemption if the property is sold prior to the completion of construction, unless the sale is to the government.

For purposes of tax ceilings, the additional value of the replacement structure is a new improvement if the new improvement exceeds the square footage of the replaced improvement or the exterior is of a higher quality of construction or composition than the replaced improvement. (These provisions also found in **HB 1257 Legler**.)

For purposes of appraisal caps on residential homesteads pursuant to Sec. 23.23, a replacement structure is a new improvement that will raise the appraised value only if the new improvement exceeds the square footage of the replaced improvement or the exterior is of a higher quality of construction or composition than the replaced improvement. Furthermore, a replacement structure is only eligible if the original structure was rendered uninhabitable by casualty, wind or water damage. (Mold was removed from the list.). A new improvement or replacement improvement will not increase the capped value of the property unless it exceeds the appraised value that the old improvement would have had if the casualty or damage had not occurred without regard to the appraised value as previously limited by the appraisal caps. (i.e.: you take the cap off the previous year's value to determine if the new improvement raises the capped value.)

The bill also exempts nonprofit community business organizations that promote economic development. The "Chamber of Commerce" exemption applies to an

organization that is not statewide, was in existence for at least five years, must be a 501(c)(6) organization, and cannot fund a political committee. Qualification is immediate on the acquisition of property.

**Status: Filed without Governor's signature; Effective 1/1/10.**

EXTENSION OF ABATEMENTS

**HB 773 Oliveira**

This bill extends the abatement act until 2019. The current law expires 2009.

**Status: Governor signed 6/19/09; Effective immediately 6/19/09 on Governor's signature.**

RETAINING HOMESTEAD EXEMPTION AND CEILING WHEN REPLACING DAMAGED HOME; INSTALLMENT PAYMENTS ALLOWED FOR BUSINESS PROPERTY IN A DISASTER AREA;

**HB 1257 Legler**

Amends 11.26; 11.261; 23.23; 31.032; Adds 11.135

The bill permits property owners to retain their homestead exemptions, tax ceilings, and appraisal caps when they seek to replace their existing home due to wind or water damage. Construction must have begun within one year after the owner moved out of the home, and the owner must return to the home within two years. The bill provides for the recapture of the taxes, plus seven percent interest, for the exemption if the property is sold prior to the completion of construction, unless the sale is to the government. For purposes of the tax ceiling, the additional value of the replacement structure is a new improvement only to the extent it exceeds the square footage of the replaced improvement or the exterior is of a higher quality of construction or composition than the replaced improvement. (See also **HB 770 Howard, Donna** for a more complete explanation.)

This bill also allows installment payments on taxes of certain business real and tangible personal property damaged in a disaster area. The property must be owned or leased by a business entity that had \$5 million or less in gross receipts for the most recent federal tax year or state franchise tax annual period. The comptroller will adjust the \$5 million dollar amount for inflation in future years. (See also the Tax Collection section.)

**Status: Governor signed 6/19/09; Effective immediately 6/19/09 on Governor's signature.**

COUNTY ABATEMENTS AUTHORIZED FOR  
LESSEES & OWNERS OF PERSONAL PROPERTY  
**SB 1458 Seliger**

Amends 312.006; 312.402; Adds 312.007

This bill authorizes counties to execute abatement agreements with the lessees of real property, with the owners of personal property located on real property in a reinvestment zone, and with the owners of leasehold interests in tax exempt real property. This bill clarifies issues raised in Attorney General Opinion GA-0600. It also provides that a taxing unit and a property owner may agree to defer the commencement of an abatement agreement but that the abatement may not exceed 10 years (also found in **HB 3896 Oliveira**). It extends the Tax Abatement Act from September 1, 2009 to September 1, 2019 (also found in **HB 773 Oliveira**). It also ratifies any existing agreements involving an owner in a leasehold interest in tax-exempt real property.

**Status: Governor signed 6/19/09; Effective immediately 6/19/09 on Governor's signature.**

EXEMPTION PERIOD EXTENDED FOR LOW-  
INCOME HOUSING; LOCAL OPTION STATUS  
REPEALED FOR FRATERNAL ASSOCIATION  
EXEMPTION

**HB 2555 Hilderbran**

Amends 11.181; 11.184; Repeals 11.184(b)

This bill extends the exemption from three years to five years for an organization developing property for low-income housing

The bill also repeals the requirement that the taxing unit approve granting the fraternal organization's exemption. The bill exempts a corporation as a qualified charity if it is a 501(c)(3) corporation and merely holds title to the property for the fraternal association and returns all income from the property to the qualified charity. The provision also requires that the title holding corporation must also pre-qualify with the comptroller and the comptroller's determination must be accepted by the chief appraiser. A title holding corporation must reapply after 5 years. This provision is effective 1/1/10.

**Status: Governor signed 6/19/09; Effective immediately 6/19/09 on Governor's signature. The fraternal exemption change is effective 1/1/10.**

EXEMPTION FOR CHARITY THAT PROVIDES  
HOUSING FOR THE HOMELESS

**HB 2628 Rodriguez**

Amends 11.18(d)

This bill entitles a charitable organization that has been in existence for at least 10 years an exemption from taxation on improvements owned by the organization that are located on a single campus in a city with a population of more than 600,000 but less than 700,000 [Austin] and that are used to provide housing and services to homeless individuals who have been continuously homeless for a year or more or who have been homeless at least four times in the preceding three years and who have a disability [Mobile Loaves and Fishes organization].

**Status: Governor signed 6/19/09; Effective 9/1/09.**

ANNUAL APPLICATION REQUIREMENT  
REMOVED FOR VEHICLES USED FOR BUSINESS  
AND PERSONAL USE

**HB 2814 Oliveira**

Amends 11.43(c); 11.253; Adds 11.254

This bill renumbers Section 11.253 as 11.254 dealing with motor vehicles used for production of income and for personal. It adds this exemption to the list of exemptions under 11.43(c) that do not require an annual application as long as the qualifications for the exemption are met.

**Status: Governor signed 6/19/09; Effective 1/1/10.**

NEW CHARITABLE EXEMPTION FOR  
HANDICAPPED TRAINING AND EMPLOYMENT;  
CHARITABLE ORGANIZATION LEASING TO A  
UNIVERSITY; NONPROFIT RADIO STATIONS

**SB 2442 Uresti**

Amends 11.11; 11.18

This bill entitles charitable organizations to an exemption if they provide training and employment of the handicapped in producing commodities or in providing certain services.

The bill provides that real property owned by a charitable organization and leased to an institution of higher education is exempt as if the institution of higher education owned the property.

The bill added an exemption for a nonprofit radio station that for the past five years received money from the Corporation of Public Broadcasting.

**Status: Governor signed 6/19/09; Effective 1/1/10.**

TCEQ ESTABLISHES ADVISORY COMMITTEE  
AND RULES ON POLLUTION CONTROL  
EXEMPTION

**HB 3206 Edwards**

Amend 11.31

This bill requires the standards and methods that the Texas Commission on Environmental Quality (TCEQ) employs for determining exemptions are to be applied uniformly to all applicants. TCEQ must appoint an advisory committee of industry, appraisal districts, taxing units, and environmental groups, including members of those groups with technical expertise in pollution control technology, and to adopt rules on determining the portion of a property that is used for pollution control. The TCEQ shall apply the rule uniformly to all applications, including those on the list adopted by TCEQ. The TCEQ executive director shall issue a letter of determination on the proportion used for pollution control based on the applicant's statement of method and the TCEQ rules. Change applies to any TCEQ determination that is not final before bill's effective date for a tax year beginning on or after the bill's effective date.

**Status: Governor signed 6/19/09; Effective 9/1/09.**

TCEQ NOTICE ON POLLUTION CONTROL SENT BY  
REGULAR MAIL OR BY ELECTRONIC MEANS

**HB 3544 Lucio**

Amend 11.31 by adding (1-g) and (n); Secs. 552.137 & 552.228, Gov't Code

This bill provides that the TCEQ may send a notice regarding a pollution control exemption to an appraisal district either by regular mail or by electronic means. The bill also adds that email addresses provided for the purpose of providing public comment or for receiving notices, orders, or decisions from a governmental body are confidential.

This bill removes the option of providing a government document in paper form in response to a request that the information be provided in another medium. The government from which the information is requested must provide the information in a medium acceptable to the requestor if unable to provide the information in the medium that the requestor initially wanted.

This bill requires the TCEQ to appoint an advisory committee of industry, appraisal districts, taxing units, and environmental groups, including members of those groups with technical expertise in pollution control technology, and to adopt rules on determining the portion of a property that is used for pollution control. The TCEQ shall apply the rule uniformly to all applications, including those on the list adopted by TCEQ. The TCEQ executive director shall issue a letter of determination on the proportion used for pollution control based on the applicant's statement of method and the TCEQ rules. (See also **HB 3206 Edwards.**)

**Status: Governor signed 6/19/09; Effective 9/1/09.**

TOTAL EXEMPTION OF HOMESTEAD OF  
TOTALLY DISABLED VETERAN; RESIDENCE  
HOMESTEAD APPRAISED ON RESIDENTIAL  
VALUE ONLY

**HB 3613 Otto**

**See also HJR 36 Otto.**

Adds 11.131; amends 11.22; 11.43; 11.431; 23.01;  
Amends Sec. 403.302, Gov't Code

The bill exempts the residence homestead of a totally disabled veteran. The constitutional authority for this exemption was passed after the previous legislative session. The loss in value due to this exemption is deducted from each school district's taxable wealth for purposes of the Comptroller's study. The bill provides that the disabled veteran's residence homestead exemption application is treated similar to the homestead exemption application: the application is not required to be filed annually and a late application may be accepted up to one year after the delinquency date. The new Sec. 11.131 for total exemption begins with the 2009 taxes.

This bill and constitutional amendment restricts the appraisal of residential homesteads on their residential use only and not based on the highest and best use of the property. (See the Appraisal Section.)

**Status: Governor signed 6/19/09; Residential value change is effective 1/1/10 if Texas voters approve the constitutional amendment 11/3/09; Disabled veteran change is effective immediately 6/19/09 on Governor's signature.**

TAX ABATEMENT PROVISIONS EXPANDED TO  
INCLUDE LEASEHOLD INTERESTS IN REAL  
PROPERTY AND TANGIBLE PERSONAL  
PROPERTY

**HB 3896 Oliveira**

Adds 312.007; Amends 312.006 and 312.402;

This bill provides that a taxing unit and a property owner may agree to defer abatement for up to 10 years. The bill also provides that a taxing unit may abate tangible personal property located on real property in the reinvestment zone and abate when there is a leasehold interest in the real property. The bill extends the Tax Abatement Act to 2019. Current law has the act expiring 2009. (See also **HB 773 Oliveira** and **SB 1458 Seliger.**) The county commissioners may have an abatement agreement with the lessee of taxable real property.

**Status: Governor signed 6/19/09; Effective immediately 6/19/09 on Governor's signature.**

## **Special Valuation**

QUALIFIED TIMBERLAND MAY CONTINUE TO RECEIVE PRODUCTIVITY VALUE IF IT CHANGES TO WILDLIFE MANAGEMENT USE AND LAND WITHIN CITY LIMITS CONTINUES TO QUALIFY FOR PRODUCTIVITY VALUATION WHEN USED FOR WILDLIFE MANAGEMENT

### **SB 801 Heger**

Amends 23.51; 23.52; 23.56

This bill provides that qualified timberland may change to wildlife management use and continue to receive the productivity valuation, based on its value as qualified timberland. Land located within city limits may qualify for productivity appraisal if it was devoted principally to agricultural use or to production of timber continuously for the preceding five years and is used for wildlife management.

**Status: Governor signed 6/19/09; Effective 1/1/10.**

AGRICULTURAL LAND IN A DROUGHT AREA

### **SB 771 Williams**

Adds 23.522

In addition to other provisions, this bill adds Sec. 23.522 which provides that eligibility for ag-use does not end due to a property not meeting the degree of intensity test if a drought declared by the governor creates an agricultural necessity that extends the normal time land is out of production and the owner intends to resume full production after the drought. (See also the Appraisal Caps and ARB section for other provisions in **SB 771**.)

**Status: Governor signed 6/19/09; Effective 1/1/10.**

## **Appraisal Review Board (ARB)**

CONSOLIDATED APPRAISAL REVIEW BOARDS

### **HB 3611**

**See also HJR 36 Otto**

Adds 6.41(g) and (h)

This bill and constitutional amendment allow two or more adjoining appraisal districts to provide for a consolidated ARB by interlocal agreement.

**Status: Governor signed 6/19/09; Effective 1/10/10 if constitutional amendment passes.**

DETERMINATION OF MARKET VALUE OF RESIDENTIAL HOMESTEAD; CONSOLIDATED ARB; REMOVAL OF REQUIREMENT THAT LITIGATION AND OTHER ENFORCEMENT ORIGINATE LOCALLY

### **HJR 36 Otto**

Adds Art. 8, Sec. 1(j), Tex. Const.

This joint resolution contains three constitutional amendments: limits the appraisal of residence homestead to its value as a residence homestead, regardless of whether its residential use is the highest or best use; provides for a consolidated ARB for two or more counties; and removes the language from Art. 8, §23 that requires administrative and judicial proceedings originate in the county in which the tax is imposed. Instead, the legislature is authorized to provide for enforcement. This last change means that the legislature is free to establish a commission of appeals or similar remedy without regard to where the appeals are held. These amendments will appear as three separate items on the November ballot.

**Status: Filed with Secretary of State; Effective 1/10/10 if Texas voters approve constitutional amendment 11/3/09.**

ARB APPOINTMENT IN HARRIS & ADJOINING COUNTY; CHANGES IN POSTPONEMENT AUTHORITY OF THE REVIEW BOARD; DEFINES GOOD CAUSE; ELECTRONIC FILING

### **HB 1030 Callegari**

Adds 41.415; Amends 1.111; 6.41; 41.45; 42.29

The bill amends Sec. 1.111 to provide that an individual exempt from registering as a tax consultant and who files a protest with the ARB on behalf of the property owner is entitled to receive all notices. These individuals are: a person acting under a general power of attorney, an attorney, an in-house company tax agent, a lessee designated by property owner as an agent, a public employee who assists a property owner as part of public duties, a CPA, or a real estate agent or appraiser who assists on farm and ranch or residential only. These provisions are effective immediately upon the Governor's signature.

The bill amends Sec. 6.41 that the local administrative district judge appoints the ARB members in a county with a population of 3.3 million and in a county with a population of 350,000 that is adjacent to a county with a population of 3.3 million. According to the U.S. Census Bureau, this definition will include both Harris

and Fort Bend Counties. The local district judge may appoint from three to five people to serve as ARB commissioners to recommend people to serve on the ARB, and these ARB commissioners may also serve as ARB members. ARB commissioners serve for one year terms. The district judge appoints the number of ARB members chosen by the appraisal district board of directors and appoints the ARB members to two-year terms. This provision is effective 1/1/10. The terms of existing ARB members appointed prior to December 31, 2009 and serving until December 31, 2010 will continue.

This bill changes several matters with respect to postponements. "Reasonable" cause changes to "good" cause, defined as an error or mistake that was not intentional or result of conscious indifference and will not cause undue delay or other injury to the person authorized to extend a deadline or grant a rescheduling. A postponement of an ARB hearing to a date less than five days or more than 30 days after the original hearing date will now require the agreement of the ARB chair (or the chair's representative) in addition to the agreement of the chief appraiser and property owner. The authority of the ARB chair or the chair's representative to grant but not deny a request for postponement has changed. Now the chair or the chair's representative may grant or deny a postponement, but only if the hearing is scheduled prior to the next regular meeting of the whole ARB. The granting or denial of a postponement is final and may not be the subject of an additional protest. These changes are effective upon the Governor's signature.

The bill also amends Sec. 42.29 that attorney fees also apply to a district court appeal of a Sec. 25.25 order.

The bill adds Sec. 41.415 to allow homeowners in an appraisal district in a county with a population of 500,000 or more to electronically do the following: file notices of protest concerning market value and unequal value; receive and review comparable sales data and other protest hearing evidence of the appraisal district; and receive settlement offers and accept or reject such offers to correct appraisal records. The appraisal district includes information with notices of appraised value about the electronic filing provisions, and the electronic mail address of the property owner is confidential. The appraisal district is not required to offer the electronic system for those areas determined to be unusually complex. This provision is effective 1/1/10. (See also **SB 873 Harris** for similar provision.)

**Status: Governor signed 6/19/09; Effective immediately 6/19/09 on Governor's signature with two provisions effective 1/1/10.**

#### ELECTRONIC APPEALS AND SETTLEMENT FILINGS IN APPRAISAL DISTRICTS WITH INTERNET WEBSITE

**SB 873 Harris**  
Adds 41.415

This bill provides that homeowners with homestead exemptions who are in an appraisal district that had an Internet Web site on or after January 1, 2008 can electronically do the following: file notices of protest, receive and review comparable sales data and other protest hearing evidence of the appraisal district, and receive settlement offers and accept or reject such offers to correct appraisal records. The appraisal district shall include information with notices of appraised value about the electronic filing provisions, and the electronic mail address of the property owner is confidential. The appraisal district is not required to offer the electronic system for those areas determined to be unusually complex. (See also **HB 1030 Callegari** for appraisal district with 500,000 or more population.)

**Status: Governor signed 6/19/09; Effective 1/1/11. An appraisal district with 250,000 or less population has until 1/1/13 to implement.**

#### ARB MEMBERS REQUIRED TO HAVE CONTINUING EDUCATION COURSE

**HB 2317 Villarreal**  
Amends 5.041; 6.41; 6.42

This bill requires that ARB members have continuing education requirements after the initial comprehensive Comptroller course. The bill requires the continuing education course to include information on the three approaches to value, business personal property appraisal, capitalization rates, ARB duties, ARB independence from the board of directors and chief appraiser, ex parte communication prohibitions, Uniform Standards of Professional Appraisal Practice, appraisal district's burden of proof, and equal and uniform appraisal requirements. The Comptroller is required to make the training materials available freely online, offer a toll-free line for ARB members to call for answers to technical questions, and provide online technological assistance to improve ARBs and CADs. The Comptroller may contract with service providers who are not an appraisal district or a taxing unit. The continuing education course may not exceed \$50 per person. The appraisal district board of directors selects the ARB chair and secretary and is encouraged to select as the ARB chair a member with a law or property appraisal background, if any.

**Status: Governor signed 6/19/09; Effective 9/1/09.**

VALUE INCREASE IS LIMITED IN THE TAX YEAR FOLLOWING A REDUCTION BY THE ARB OR COURT, UNLESS EVIDENCE SUPPORTS HIGHER INCREASE; SOLD COMPARABLE PROPERTIES MUST HAVE SOLD WITHIN 24 MONTHS OF APPRAISAL DATE; AGRICULTURAL LAND IN A DROUGHT AREA; BINDING ARBITRATION CHANGES AND AN EXPEDITED ARBITRATION PROCESS; RESTRICTION ON EX PARTE COMMUNICATION BY ARB

**SB 771 Williams**

Amends 23.01; 23.013; CH. 41A; Adds 23.522; Repeals 23.014

This bill provides that the chief appraiser shall appraise property using all available evidence specific to the property's value. If the ARB, an arbitrator, or district court reduces the appraised value, the chief appraiser may not increase the property's value in the following year, unless the chief appraiser can reasonably support the new value by substantial evidence when all of the reliable and probative evidence in the record is considered as a whole. If the property's value in an appeal was determined based upon an inequality appeal in the preceding year, the chief appraiser may justify the increase by showing that the inequality was corrected. The chief appraiser has the burden of proof to establish that an increase in the property's value is warranted.

When the chief appraiser uses the market comparison approach: a sale is not considered to be a comparable sale unless it occurred within 24 months of the appraisal date, unless enough comparable properties were not sold during that period to constitute a representative sample; the chief appraiser must appropriately time adjust comparable properties; and comparability must be based upon similarities in location, square footage of lot and improvements, age, condition, access, amenities, views, easements, deed restrictions or other legal burdens affecting market value.

This bill adds Sec. 23.522 which provides that eligibility for ag-use does not end due to a property not meeting the degree of intensity test if a drought declared by the governor creates an agricultural necessity that extends the normal time land is out of production and the owner intends to resume full production after the drought.

This bill expands binding arbitration for a property designated a residence homestead or is a property valued at \$1 million or less. Although, the bill removes the limitation that the arbitration is limited to the determination of appraised or market value, the bill elsewhere provides that only Section 41.41(a)(1) protests are subject to arbitration. Therefore, arbitrations continue to be limited to questions of excessive valuation, not unequal valuation or

exemption. It provides an expedited arbitration process for a \$250 filing fee that has one hour for each party to present its evidence. The Comptroller sets the rules for the process. The bill also allows attorneys to serve as arbitrators. Accountants may also serve if they complete the required 30 hours of arbitration training. The bill also requires that each arbitrator in the Comptroller's registry must reapply and also show eight hours of arbitrator training in the prior two years.

The bill limits ex parte communications to those between the ARB and its legal counsel. The bill removes the provision that restricts the communications only to those concerning the specific evidence or facts concerning a hearing currently pending before the appraisal review board. This change will restrict any communication concerning the matters listed in Sec. 41.66 (f): evidence, argument, facts, merits, or any other matters related to an owner's protest. The bill does allow for communications between the ARB and the chief appraiser or a CAD employee that is limited to and involving administration, clerical, or logistical matters of scheduling and operation of hearings, handling documents, issuing orders, subpoenas, and ARB operations. A violation of the ex parte communication changes from a Class C to a Class A misdemeanor (\$4,000 fine and one year jail time).

**Status: Governor signed 6/19/09; Effective 1/1/10.**

**Appraisal District Litigation**

CAD LAWSUIT REFUNDS NO LONGER SENT TO OWNER

**HB 986 Villarreal**

Amends 42.43

This bill requires a person to file a district court appeal of an ARB order within 60 days (current law is 45 days) after delivery of the ARB order or anytime after the hearing but before the 60-day deadline.

The bill requires that the tax collector send a refund generated by a lawsuit against an appraisal district to the person designated in the final judgment or in a form signed by the property owner and delivered to the taxing unit before the 21<sup>st</sup> day after the final determination of an appeal that requires that a refund be made. If a form designating an agent for receiving refunds is filed, it continues in effect until the property owner revokes it.

Further, this bill requires that refunds made pursuant to appraisal district lawsuits may not be made until at least

21 days after the appeal is final or until after the refund form is filed, whichever is earlier.

**Status: Governor signed 6/19/09; Effective immediately 6/19/09 on Governor's signature. This bill will affect refunds that are pending for prior years on the bill's effective date.**

PROPERTY OWNER WITH INABILITY TO PAY  
APPEAL NOTIFIES TAXING UNITS  
**SB 1359 Seliger**  
Amends 42.08

This bill provides that a property owner who files a district court appeal of an ARB order and also files a motion with the court on an inability to pay taxes must also mail a certified letter notifying the taxing unit collector at least 45 days prior to a hearing on the inability to pay. The taxing unit may intervene in the appeal for the limited purpose about compliance with this provision.

**Status: Governor signed 6/19/09; Effective immediately 6/19/09 on Governor's signature.**

LARGE CADS SET FOR PILOT PROJECT APPEALS  
PROCESS  
**HB 3612 Otto**  
Adds Subchapter Z, Ch. 2003, Gov't Code

The bill provides for a three-year pilot project in six appraisal districts on appealing an ARB order for a property valued at \$1 million or more, excluding industrial or mineral properties. The pilot project for Bexar, Cameron, El Paso, Harris, Tarrant, and Travis CADs provides that a taxpayer may appeal an ARB order to an administrative law judge through the State Office of Administrative Hearings (SOAH). Dallas County is not part of the pilot project. SOAH is not required to determine more than 3,000 appeals, based on a SOAH rule to establish the number for each county from the total lawsuits filed in these counties.

The taxpayer has a \$300 filing fee, refundable if the judge finds the value closer to the taxpayer's value. Chapter 2001 and Texas Rules of Evidence do not apply. Prehearing discovery is limited to exchange of documents at hearing. Expert witness testimony is written. Any relevant evidence is admissible, subject to reasonable time limits. An authorized representative of a party may appear at the hearing to offer evidence, argument, or both in the same manner as Sec. 41.45, Tax Code. The judge issues a ruling with a brief analysis of reasoning within 30 days of the appeal hearing. The taxpayer may not have any delinquent taxes on the property to appeal to SOAH. A SOAH appeal is an election of remedies and an alternative to bringing a Sec. 42.01 appeal. This means that a decision

by a SOAH judge cannot be appealed to court. The Legislature receives a report January 1, 2013 about the results of the pilot project.

**Status: Governor signed 6/19/09; Effective 1/1/10.**

SINGLE ARBITRATION FEE DEPOSIT REQUIRED  
FOR APPEAL OF CONTIGUOUS TRACTS  
**HB 4412 Taylor**  
Amends 41A.03

This bill provides for a single arbitration filing fee deposit for the appeal of two or more contiguous tracts of property.

**Status: Governor signed 6/19/09; Effective 9/1/09.**

## **Tax Collections**

RETURN ADDRESS REQUESTED ON TAX BILLS  
MADE OPTIONAL  
**SB 562 Jackson, Mike**  
Amends 31.01; 1.111(j)

This bill makes the placing of "Return Address Requested" on tax bills optional with the tax assessor-collector.

**Status: Governor signed 6/19/09; Effective 9/1/09.**

LIMIT FOR APPROVAL OF REFUNDS BY  
TAXING UNIT RAISED  
**HB 1205 Button**  
Amends 31.11

The bill requires the taxing unit's governing body to approve refunds by the county that exceed \$5,000 if the county's population is two million or more. If the collector collects for more than one taxing unit, the limit is raised from the current law of \$500 to \$2,500. The law remains \$500 for units with tax collector who collects for only one unit and is located in a county with less than two million population.

**Status: Governor signed 5/20/09; Effective 1/1/10.**

INSTALLMENT PAYMENTS ALLOWED FOR  
BUSINESS PROPERTY IN A DISASTER AREA;  
RETAINING HOMESTEAD EXEMPTION AND  
TAX CEILING WHEN REPLACING DAMAGED  
HOME  
**HB 1257 Legler**  
Amends 11.26; 11.261; 23.23; 31.032; Adds 11.135

This bill allows installment payments on taxes of certain business real and tangible personal property damaged in a disaster area. The property must be owned or leased by a business entity that had \$5 million or less in gross receipts for the most recent federal tax year or state franchise tax annual period.

The bill also permits property owners to retain their homestead exemptions, tax ceilings, and appraisal caps when they seek to replace their existing home due to wind or water damage. Construction must have begun within one year after the owner moved out of the home, and the owner must return to the home within two years. The bill provides for the recapture of the taxes, plus seven percent interest, for the exemption if the property is sold prior to the completion of construction, unless the sale is to the government. For purposes of the tax ceiling, the additional value of the replacement structure is a new improvement only to the extent it exceeds the square footage of the replaced improvement or the exterior is of a higher quality of construction or composition than the replaced improvement. (See also **HB 770 Howard, Donna** for a more complete explanation.) (See also the Exemption section.)

**Status: Governor signed 6/19/09; Effective immediately 6/19/09 on Governor's signature.**

#### COLLECTOR AND AUDITOR DETERMINE REFUND FOR OVERPAYMENT OR ERRONEOUS PAYMENTS; NO REFUND APPLICATION REQUIRED IN CERTAIN TAXING UNITS

##### **SB 798 Carona**

Amends 11.438; 31.11

This bill requires that the tax collector make the determination that a refund is due and that the auditor agree with the collector that a tax refund is due for an overpayment or erroneous payment.

A taxpayer is not required to apply for the refund of an overpayment or erroneous payment to the tax collector for a county of two million or more population but is entitled to receive the refund that is at least \$5 but does not exceed \$5,000. This change applies only to the collection for the county with two million or more population, not to the other tax collectors within that county. Tax collectors for counties of two million or more do not need to send refund applications and notices of refunds due unless the amount exceeds \$5,000 for any taxing unit collected by that collector. The three-year deadline to apply for a tax refund does not apply to a late application for a veteran's organization exemption.

**Status: Governor signed 6/19/09; Effective 1/1/10.**

#### SECOND MAILING OF SCHOOL TAX BILLS IF RATIFICATION ELECTION FAILS

##### **SB 1024 Ogden**

Amends 26.08

The bill requires a second mailing of school tax bills when school tax bills are mailed before a school tax rate ratification election and voters do not ratify the adopted tax rate. The second mailing with the lower tax rate includes an explanation and an extended delinquency date. The delinquency date is extended by the number of days between the date the first tax bill was sent and the date the second tax bill was sent.

If the voters do not ratify the proposed tax rate, tax refunds are automatically sent if more than \$1; owner must apply for a refund under \$1 within 90 days.

**Status: Governor signed 6/19/09; Effective 9/1/09.**

#### TAX COLLECTORS MUST ACCEPT CREDIT CARDS, ELECTRONIC FUNDS TRANSFERS

##### **HB 3646 Hochberg**

Amends 26.01; 26.05; 26.08; 31.06; 311.013; Amends various sections of Education Code

This bill on school finance amends Section 31.06 and provides that the tax collector shall accept U.S. currency, check, credit cards, or electronic fund transfers as payment of property taxes. The options of a tax collector to take credit cards and to have a written agreement to take electronic funds transfers are deleted. (See the School Finance section for more on this bill.)

**Status: Governor signed 6/19/09; this change effective 9/1/09, with one section of bill effective immediately 6/19/09 on Governor's signature.**

### **Delinquent Tax Litigation**

#### LIMITATIONS ON CLAIMS FOR EXCESS PROCEEDS

##### **HB 406 Rodriguez**

Amends 34.04; Adds 34.021

Former property owners must have been defendants in the judgment or a relative or heir of a defendant in the judgment to claim excess proceeds. A person who acquires interest in a property after the judgment in the tax suit may not claim excess proceeds unless the person is a relative or heir of a defendant in the lawsuit. An assignee or transferee of a person's right to receive excess proceeds must have paid 80 percent of the value

of the proceeds to the assignor and must produce verified proof of payment to obtain excess proceeds. Only an attorney may charge for obtaining excess proceeds from a court registry and that charge is limited to 25% or \$1,000, whichever is less. A person is prohibited from taking an assignment or other transfer of an owner's claim to excess proceeds if the assignment or transfer is the result of in-person or telephone solicitation. Sale under Rule 736 requires that any excess proceeds be placed with the clerk of the court within 10 days of sale.

**Status: Filed without Governor's signature; Effective 9/1/09.**

OWNER'S REDEMPTION RIGHT WHEN UNABLE TO LOCATE TAX SALE PURCHASER CHANGED

**HB 1407 Green**

Amends 34.21

This bill addresses an owner's right to redeem property sold but is unable to locate the purchaser of the property at the tax sale or resale. The owner can redeem if the owner does so before the redemption period expires and signs a sworn affidavit that the owner has done due diligence to contact the purchaser and cannot find the purchaser or the purchaser refuses to deed the property back to the original owner. The tax assessor-collector is not liable for performing duties based on the affidavit.

**Status: Governor signed 6/19/09; Effective 9/1/09.**

TAXING UNIT CAN FILE JOINDER OF TAX LIEN TRANSFEREE

**HB 1465 Paxton**

Amends 32.06; Adds 33.445

This bill provides for a joinder of tax lien transferee, which allows a taxing unit to join each recorded transferee of a tax lien against the property. The transferee may seek to foreclose for all amounts owed or may pay all taxes, penalties, interest, court costs, and attorney fees owed the taxing unit(s). The taxing unit(s) then transfers the tax liens to the transferee.

**Status: Governor signed 5/23/09; Effective 9/1/09.**

SECRETARY OF STATE MAILED SERVICE OF PROCESS TO NONRESIDENT IN DELINQUENT TAX LAWSUIT

**HB 1804 Paxton**

Amends 17.091, Civil Practice & Remedies Code

This bill addresses the service of process in a delinquent tax lawsuit on a defendant who is a nonresident of Texas. The Texas Secretary of State sends a duplicate copy of the service to the nonresident.

**Status: Governor signed 5/27/09; Effective 9/1/09.**

PERFECTING TAX LIEN ON MANUFACTURED HOME CHANGED

**HB 2238 Hamilton**

Amends Ch. 1201, Occupations Code

This bill provides that a manufactured home tax lien is perfected only by filing with the Texas Department of Housing and Community Affairs (TxDHCA) the tax lien notice on a form provided by the TxDHCA. The form must require the disclosure of the original tax lien amount and name and address of person in whose name the manufactured home is listed on the tax roll. On its Website, TxDHCA shall post the date of each tax lien filing, the original amount claimed, and the fact that the amount shown does not include interest, penalties, and attorney's fees. The statement is notice to all persons that the tax lien exists. A tax lien recorded with TxDHCA has priority, over another lien or claim against the manufactured home. Tax liens shall be filed by the tax collector for any taxing unit having the power to tax the manufactured home. A single filing by a tax collector is a filing for all the taxing units for which the tax collector is empowered to collect. The bill also provides that a statement be filed that no personal property taxes are due the January 1 within 18 months of the date of sale of a used manufactured home for an application of ownership and location.

**Status: Governor signed 5/20/09; Effective 9/1/09.**

COLLECTION OF PUBLIC IMPROVEMENT DISTRICT ASSESSMENT LIENS AND AD VALOREM TAX LIENS - **VETOED**

**HB 3485 Coleman**

Amends Ch. 372, Local Gov't Code

~~This bill addresses the foreclosure of property with public improvement district assessment liens and ad valorem tax liens.~~

~~The provision to change the Section 42.43 interest rate from eight percent to a current fair market annual rate for interest due with a refund after a court decision was deleted from the bill.~~

**Status: Governor vetoed 6/19/09.**

## **Tax Rates & Truth in Taxation**

MOTION TO ADOPT TAX RATE HIGHER THAN EFFECTIVE TAX RATE CHANGED

### **HB 2291 Gattis**

Amends 26.05

The bill changes the stated motion to adopt a tax rate that exceeds the effective tax rate to include the percentage increase and to include that change in the adopted order or resolution and on the taxing unit's Web site. The statement will now read: THE TAX RATE WILL EFFECTIVELY BE RAISED BY (INSERT PERCENTAGE BY WHICH THE TAX RATE EXCEEDS THE EFFECTIVE MAINTENANCE AND OPERATIONS RATE) PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$(Insert amount)."

**Status: Governor signed 6/19/09; Effective immediately 6/19/09 on Governor's signature.**

ISD ROLLBACK RATE FOR CURRENT YEAR LOOKS AT LAST YEAR'S EFFECTIVE M&O RATE

### **SB 2274 Seliger**

Amends 26.08; Sec. 45.001, Education Code

This bill provides that if last year's adopted maintenance and operations (M&O) rate for a school district was less than the school's effective M&O rate last year, then the current year's rollback rate calculation uses last year's effective M&O rate and not the lower adopted rate. (See also **HB 3646 Hochberg**.)

It also provides that the school district may levy taxes to pay off debt early.

**Status: Governor signed 6/19/09; Effective immediately 6/19/09 on Governor's signature.**

ESTIMATED VALUES FROM CHIEF APPRAISER; ADOPTING SCHOOL TAX RATE BEFORE BUDGET; SCHOOL FINANCE REVISED

### **HB 3646 Hochberg**

Amends 26.01; 26.05; 26.08; 31.06; 311.013; Amends various sections of Education Code

This bill amends Section 26.01 to require the chief appraiser to provide the county, cities, and school districts with estimated values for budgetary purposes by April 30. Current law states by June 7.

The bill amends Section 26.05 to provide that if it so elects to do so, an ISD may adopt a tax rate before adopting the

budget by using estimated values from the chief appraiser to calculate the effective and rollback tax rates. Section 44.004, Education Code, also changes to address adopting the tax rate before the budget. If the ISD adopts the tax rate before the budget, the ISD must publish another notice and hold another public hearing to adopt the budget and again may use the certified estimate from the chief appraiser.

The bill amends Section 26.08 to provide that if last year's adopted maintenance and operations (M&O) rate for a school district was less than the school's effective M&O rate last year, then the current year's rollback rate calculation uses last year's effective M&O rate and not the lower adopted rate. It also provides that the school district may levy taxes to pay off debt early. (See also **SB 2274 Seliger**.) (Effective immediately 6/19/09).

(See the School Finance section for more on this bill.)

**Status: Governor signed 6/19/09; Effective 9/1/09, except one section as noted effective immediately 6/19/09 on Governor's signature.**

## **County TACs**

DEADLINE FOR COMPTROLLER TO CERTIFY RAILROAD ROLLING STOCK VALUE TO COUNTY CHANGED

### **HB 1309 Otto**

Amends 24.38

This bill changes the date that the Comptroller certifies the apportioned value of railroad rolling stock to the county tax assessor-collector from August 1 to July 26. (See also the Appraisal Section.)

**Status: Governor signed 6/19/09; Effective 1/1/10.**

REPORTING AND PENALTIES FOR SPECIAL INVENTORY CLARIFIED

### **HB 2071 Oliveira**

Amends 23.121, 23.122, 23.124, 23.1241, 23.1242, 23.125, 23.127 and 23.128

This bill provides that the penalty for filing the annual declaration for each of the types of special inventories applies also to failing to timely file the declaration. The bill also requires that the monthly tax statement is required to be filed even if the dealer had no sales in that month. The dealers of special inventories include dealers of motor vehicles, boats and motors, heavy

equipment or manufactured housing. (See also the Appraisal section.)

**Status: Governor signed 5/23/09; Effective 9/1/09.**

## **Miscellaneous**

BTPE ABOLISHED AND ITS FUNCTIONS MOVED TO TDLR

### **HB 2447 Flynn**

Amends 5.04; Ch. 1151, Occupations Code

This bill abolishes the Board of Tax Professional Examiners and moves its functions to the Texas Department of Licensing and Regulation (TDLR). TDLR sets the registrant fees and establishes a Texas Tax Professional Advisory Committee composed of two certified registered professional appraisers (RPAs), two certified registered Texas collector or assessors (RTC or RTA), and three members from the public. A member of the public for this committee may not have served on the appraisal review board. The Comptroller's office provides information on tax professional education needs and reviews and approves all required education courses and exams. TDLR shall dismiss a complaint without conducting a hearing if the complainant challenges only the property's value or another matter for which the Tax Code has a specific remedy and the complainant does not allege a violation of a Tax Code provision or TDLR standard.

TDLR may deny an application for registration or take other disciplinary action against a registrant. TDLR shall set out rules regarding disciplinary action and consider that the registrant acted in good faith to implement a law or agency rule, acted on the advice of the registrant's attorney or the Texas Comptroller, or had the discretion to decide an issue on which the complainant is unhappy about that decision.

**Status: Governor signed 6/19/09; Effective 9/1/09. The transfer of authority occurs 1/1/10.**

REQUIREMENTS CHANGE FOR PROPERTY TAX CONSULTANTS

### **HB 2591 Thompson**

Amends Ch. 1152, Occupations Code

This bill provides that a registered senior property tax consultant (agent) may not employ or sponsor more than 10 registered property tax consultants, unless the consultant has been previously employed as a full-time tax consultant for the previous six months, was a property owner's employee performing tax consulting duties, or

performed licensed appraisal services. A person must complete 40 education hours, up from 15 hours, and pass a competency exam to be a registered property tax consultant.

The bill provides that a person may not file a protest without the property owner's written authorization, except for protests filed with the approval of a lessee. The bill also prohibits a consultant from soliciting a client by assuring a specific outcome. A registered consultant may not engage an attorney for filing a Chapter 42 appeal without the client's prior consent.

A tax consultant may not maintain a Website that has a domain name or address that implies it is a government Website and may not use a Website to solicit business unless the company's name is prominently on the Website's home page.

**Status: Governor signed 6/19/09; Effective 9/1/09 except for portion on prohibited acts effective 1/1/10.**

TEXAS FINANCE COMMISSION HAS INVESTIGATION AND RULE-MAKING AUTHORITY OVER PROPERTY TAX LENDERS

### **SB 1620 Wentworth**

Amends 32.06; Sec. 351.004, Finance Code

This bill provides that the Finance Commission of Texas has rule-making authority to set the form and certified statement dealing with the transfer of a tax lien provided by 32.06 and 32.065. Any person who makes a property tax loan is considered to be a property tax lender. The Texas finance commissioner can examine the records and investigate the lenders.

**Status: Bill to Governor; Effective 9/1/09.**

CITY OF LUBBOCK CAN EXTEND TIF/TIRZ

### **SB 1105 Duncan**

Amends 311.017

This is a bracket bill that appears to apply to the city of Lubbock. It authorizes the city to amend an existing TIF/TIRZ zone for up to 20 years.

**Status: Governor signed 5/23/09; Effective immediately 5/23/09 on Governor's signature.**

POPULATION LIMIT CHANGED FOR SCHOOL PARTICIPATION IN TIRZ

### **HB 752 England**

Amends 311.0085

This bill increases the population limit from 120,000 to 130,000 for cities with a TIF/TIRZ for the city [Grand

Prairie] to enter into an agreement to allow increment funding for the construction of a school district.

**Status: Governor signed 5/19/09; Effective 5/19/09 on Governor's signature.**

**CERTAIN CITY MAY NOT ESTABLISH A TIF ZONE**  
**SB 1633 Nichols**  
Amends 311.006

This bill provides that a city may not establish a tax increment financing (TIF) zone if the TIF will include 20 percent of the total appraised value in the city, the city is adjacent to a certain sized county, and the county has a planned 20,000 acre development [Conroe].

**Status: Governor signed 6/19/09; Effective 9/1/09.**

**DESIGNATION OF A TIF REINVESTMENT ZONE**  
**HB 1770 Miklos**  
Amends 311.003; 311.006; 311.012; 311.013; 311.017

This bill provides that the county or city may designate a contiguous or noncontiguous area for the TIF zone.

The bill authorizes the city or county that established a TIF zone to extend it but clarifies that the TIF obligations by other taxing units are not extended unless the other taxing unit enters an agreement with the city or county that established the TIF. It provides that the taxing unit determines the method of calculating the amount of tax to pay the TIF, either the amount assessed or the amount collected on the captured value.

The bill amended Sec. 311.006 that a city may not establish a TIF zone if the TIF will include 20 percent of the total appraised value in the city, the city is adjacent to a certain sized county, and the county has a planned 20,000 acre development [Conroe]. (See also **SB 1633 Nichols**.)

**Status: Governor signed 6/19/09; Effective immediately 6/19/09 on Governor's signature.**

**TEXAS ECONOMIC DEVELOPMENT ACT FOR**  
**SCHOOL TAX LIMITATIONS REVISED**  
**HB 3676 Heflin**  
Amends Ch 313, Tax Code; Sec. 403.302, Gov't Code

This bill extends the Texas Economic Development Act for school tax limitations from 2011 to December 31, 2014; clarifies that qualified personal property is not required to be affixed to real property; provides that the qualified property includes a lessee or holder of possessory interest; that a qualified investment includes an advanced clean energy project; provide for a three year delay at the beginning of a qualifying time if project lasts as long as

five years; that the limitation's qualifying time begins on the date of the ISD's approval of the application; changes the county weekly wages definition; and redefines manufacturing and research development; and more details. The bill also adds a data center providing electronic data processing and storage as an eligible property. An ISD has 150 (up from 120) days to approve an application. The Comptroller has 90 (rather than 60) days to submit a recommendation to the ISD. A school district may approve an application rejected by the Comptroller by a 2/3's vote of the board of trustees. The bill addresses decisions by the Comptroller and an appeal process. The Comptroller posts to the Web site applications and other documents on value limitations and ISDs have links to the Web page. Agreements could include payments from the property owner to the ISD for "extraordinary education-related expenses." The bill limits "supplemental payments" by the project owner to the ISD to \$100 per student per year not to exceed the number of years in qualifying time period, limitation period and tax credit settle-up period. If a project owner did not make the minimum qualified investment or create the required number of qualifying jobs, then the project loses the tax benefit in that year. The Comptroller's property value study includes deductions for these limitations in effect before the expiration of the Act. The bill amends Section 303.103 for a state tax credit for a property that paid school taxes.

**Status: Governor signed 6/19/09; Effective immediately 6/19/09 on Governor's signature, with parts regarding Comptroller effective 1/1/10.**

**LOCAL OPTION SUSPENSION OF STATUTORY**  
**DEADLINES IN DISASTER AREA**  
**HB 3851 Eiland**  
Adds 418.1075, Gov't Code

This bill allows a political subdivision to suspend a statutory deadline if it is wholly or partly located in an area of a disaster declared by the president of the United States or the governor. The presiding officer of the political subdivision or its governing body, in the absence of a presiding officer, must proclaim that it is unable to comply with the statutory requirement because of the disaster and may issue an order ending the suspension. The statutory deadline may not be suspended for more than 30 days after the proclamation.

The bill also allows the Governor, at the request of a political subdivision, to waive or amend a deadline, including a deadline relating to the budget or property tax.

**Status: Governor; Effective immediately 6/19/09 on Governor's signature.**

TAX CODE REFERENCES TO THE NEW TEXAS DEPARTMENT OF MOTOR VEHICLES

**HB 3097 McClendon**

Amends various sections of the Tax Code, Transportation Code and others

This bill establishes the Texas Department of Motor Vehicles and changes Tax Code statutes that reference the Texas Department of Transportation to the new department's name.

**Status: Governor signed 6/19/09; Effective 9/1/09.**

TAX CODE REFERENCES DEALING WITH RAIL FACILITIES

**SB 1540 Carona**

Amends 25.07; various statutes with railroads

This bill changes "which" to "that" in Section 25.07 and changes the reference for a rail facility owned by a rural rail transportation district to Ch. 172, Transportation Code.

**Status: Governor signed 5/20/09; Effective 4/1/11.**

NONSUBSTANTIVE CHANGES TO TAX CODE AND OTHER CODES

**SB 1969 West**

Amends various sections of the Tax Code, Government Code and others

This clean-up bill fixes sections of the Tax Code, Government Code and other Codes for duplicate section numbers, phrases and other minor amendments that do not make substantive changes to law.

**Status: Governor signed 5/20/09; Effective 9/1/09.**

## **School Finance**

SCHOOL FINANCE REVISED

**HB 3646 Hochberg**

Amends 26.01; 26.05; 26.08; 31.06; 311.013; Amends various sections of Education Code

This 110-page bill refines school finance in the Education Code. It directs \$1.9 billion of new money to school districts with a minimum \$120 per Weighted Average Daily Attendance (WADA) increase. It increases aid to districts with low revenue targets.

The bill also includes five Tax Code changes.

Section 26.01 requires the chief appraiser to provide the county, cities, and school districts with estimated values for budgetary purposes by April 30. Current law states by June 7.

Section 26.05 provides that if it so elects to do so, an ISD may adopt a tax rate before adopting the budget by using estimated values from the chief appraiser to calculate the effective and rollback tax rates. Section 44.004, Education Code, also changes to address adopting the tax rate before the budget. If the ISD adopts the tax rate before the budget, the ISD must publish another notice and hold another public hearing to adopt the budget and again may use the certified estimate from the chief appraiser.

Section 26.08 provides that if last year's adopted maintenance and operations (M&O) rate for a school district was less than the school's effective M&O rate last year, then the current year's rollback rate calculation uses last year's effective M&O rate and not the lower adopted rate. It also provides that the school district may levy taxes to pay off debt early. (See also **SB 2274 Seliger**.) (Effective immediately 6/19/09)

Section 31.06 provides that the tax collector shall accept U.S. currency, check, credit cards, or electronic fund transfers as payment of property taxes. The options of a tax collector to take credits cards and to have a written agreement to take electronic funds transfers are deleted.

Section 311.013(n) regarding TIF payments is changed.

Section 403.302, Government Code, regarding the Comptroller's property value study deletes subsection (a)(5) regarding TIF and 2005 tax year.

The Election Code is changed to require the ISD to give a notice to the county clerk about a tax rate ratification election at least 30 days before the election.

**Status: Governor signed 6/19/09; Effective 9/1/09, except one section as noted effective immediately 6/19/09 on Governor's signature.**

TEA ADJUSTMENT FOR DECLARED DISASTER AREA

**HB 4102 Eiland**

Adds Secs. 42.2523 and 42.2524, Education Code

This bill requires the commissioner of education to adjust the taxable value of a property of a school district located within a declared disaster area as necessary to

ensure that the district receives funding as soon as possible based on property values as affected by the disaster. The bill provides that the state may reimburse school districts for remediation related to a declared disaster under certain circumstances.

**Status: Governor signed 6/19/09; Effective immediately 6/19/09 on Governor's signature.**

## **Open Meetings, Chapter 551**

### **MUNICIPAL OPEN MEETING POSTING AND NO ACTION ON ITEMS OF COMMUNITY INTEREST SB 1182 Wentworth**

Adds Sec. 551.0415, Gov't Code; Amends Ch. 552, Gov't Code

This bill provides that a municipality's governing body does not have to post in its open meeting's notice items of community interest on which no action will be taken. Items of community interest include expressions of thanks, congratulations, condolences, holiday schedules, honorary or salutary recognition of a public official or employee, upcoming event reminder, social or ceremonial event to be attended by a governing body member and any announcements involving an imminent threat to public health and safety of people after the notice posting. (See Open Records Section for changes to Ch. 552, Gov't Code.)

**Status: Governor signed 6/19/09; Effective 9/1/09.**

## **Open Records, Chapter 552**

### **HOME ADDRESS OF FEDERAL LAW ENFORCEMENT OFFICERS CONFIDENTIAL SB 390 Patrick**

Amends 25.025(a); Sec. 552.1175, Gov't Code

This bill requires the confidentiality of home address information of federal law enforcement officers, including a criminal investigator and a police officer or inspector of the U. S. Federal Protective Service, in local tax appraisal records. (See also Appraisal District Organization & Authorization Section.)

**Status: Governor signed 6/19/09; Effective 9/1/09.**

CONFIDENTIAL INFORMATION MAY BE RELEASED TO APPRAISAL DISTRICT, SCHOOL

### **DISRICT OR THEIR AGENTS FOR AUDITING CAD OPERATIONS OR PREPARING PVS APPEALS**

#### **HB 2941 Paxton**

Amends 22.27; Sec. 552.148, Gov't Code

This bill provides that the Comptroller must give confidential information to a property owner, school district, appraisal district, or their agents in preparing a Property Value Study appeal and from any appraisal district involved in that appeal. The appraisal district must give confidential information to an employee or agent of a taxing unit who is auditing or monitoring the appraisal district operations and to the school district's employee or agent who is preparing an appeal to the Comptroller's Property Value Study. The comparable sales data relates to real property in a county with a population of 20,000 or more. (See also Appraisal District Organization & Authorization Section.)

**Status: Governor signed 6/19/09; Effective immediately 6/19/09 on Governor's signature.**

### **CONFIDENTIAL APPRAISAL INFORMATION LIMITED TO COUNTIES OF 20,000 POPULATIONS OR MORE**

#### **SB 1813 Duncan**

Amends Sec. 552.148, Gov't Code

This bill provides that a sales price, description, characteristics, other related data, and comparable sales data related to real property is confidential for property located in a county with a population of 20,000 or more. (See also Appraisal District Organization & Authorization Section.)

**Status: Governor signed 6/19/09; Effective immediately 6/19/09 on Governor's signature.**

### **TCEQ NOTICE ON POLLUTION CONTROL SENT BY REGULAR MAIL OR BY ELECTRONIC MEANS**

#### **HB 3544 Lucio**

Amend 11.31 by adding (1-g) and (n); Secs. 552.137 & 552.228, Gov't Code

This bill provides that the TCEQ may send a notice regarding a pollution control exemption to an appraisal district either by regular mail or by electronic means. The bill also adds that email addresses provided for the purpose of providing public comment or for receiving notices, orders, or decisions from a governmental body are confidential.

This bill removes the option of providing a government document in paper form in response to a request that the

information be provided in another medium. The government from which the information is requested must provide the information in a medium acceptable to the requestor if unable to provide the information in the medium that the requestor initially wanted.

This bill requires the TCEQ to appoint an advisory committee of industry, appraisal districts, taxing units, and environmental groups, including members of those groups with technical expertise in pollution control technology, and to adopt rules on determining the portion of a property that is used for pollution control. The TCEQ shall apply the rule uniformly to all applications, including those on the list adopted by TCEQ. The TCEQ executive director shall issue a letter of determination on the proportion used for pollution control based on the applicant's statement of method and the TCEQ rules. (See also **HB 3206 Edwards.**)

(See also the Exemption Section.)

**Status: Governor signed 6/19/09; Effective 9/1/09.**

#### COMPUTER SYSTEM INTERFACE INFORMATION CONFIDENTIAL

##### **HB 1830 Corte**

Amends Sec. 552.139, Gov't Code and other sections

This bill adds a computer's system interface to the list of confidential information of a governmental entity, including the system interface of its contractor. It authorizes the information to be disclosed to a bidder if the governmental body determines that providing the information is necessary for the bidder to provide an accurate bid. It provides that a disclosure under this subsection is not a voluntary disclosure for purposes of Section 552.007.

**Status: Governor signed 5/27/09; Effective 9/1/09.**

#### REQUESTS BY TEXAS LEGISLATURE FOR CONFIDENTIAL INFORMATION

##### **SB 671 Shapleigh**

Amends Sec. 552.008, Gov't Code

This bill provides that the Texas Legislature may seek a decision from the Attorney General about whether information covered by a confidentiality agreement is confidential under law. Currently a legislative member, committee, or agency can request confidential information from a governmental body; however, the governmental body may choose to require the requestor to sign a confidentiality agreement before the information is released. (See also **SB 1182 Wentworth.**)

**Status: Governor signed 6/19/09; Effective 9/1/09.**

#### REDACTING PERSONAL INFORMATION WITHOUT AG DECISION; WITHHOLDING INFORMATION THAT IS RISK TO PUBLIC OFFICIAL OR EMPLOYEE

##### **SB 1068 Wentworth**

Amends Secs. 552.024, 552.138 and 552.151, Gov't Code

This bill allows a governmental body to redact certain personal information under the public information law without the necessity of requesting an Attorney General's decision. A governmental body that withholds or redacts information without an AG opinion may provide certain information about the withholding or redacting to the requestor. The requestor has the right to request a review and opinion from the Attorney General before being required to sue for a writ of mandamus or seek a declaratory judgment. The Attorney General is required to develop information handouts and forms and to promptly render (within 45 business days of a request) and deliver a written decision. The requestor or the governmental body may appeal the decision to a Travis County district court.

The bill also allows withholding information about a public officer or employee if disclosure would pose a substantial risk of physical harm,

**Status: Governor signed 6/4/09; Effective 6/4/09.**

#### PUBLIC EMPLOYEE PENSION SYSTEM

##### **SB 1071 Wentworth**

Adds Sec. 552.0221, Gov't Code

This bill provides that the employment of an employee of a public employee pension system or the service of a trustee of a public employee pension system, including income, salary, benefits, and bonus information in the person's capacity as an employee or trustee, is public information under the open records law.

**Status: Governor signed 5/19/09; Effective 5/19/09.**

#### REQUESTS BY TEXAS LEGISLATURE; DEPOSITS FOR REQUESTS; ARGUMENTS TO ATTORNEY GENERAL PROVIDED TO REQUESTOR; AWARDING LITIGATION COSTS AND ATTORNEY FEES; LITIGATION BETWEEN GOVERNING BODY AND ATTORNEY GENERAL

##### **SB 1182 Wentworth**

Amends Ch 552, Gov't Code

This bill amends Sec. 552.008 that the Texas Legislature may seek a decision from the Attorney General about whether information covered by a

confidentiality agreement is confidential under law. Currently a legislative member, committee, or agency can request confidential information from a governmental body; however, the governmental body may choose to require the requestor to sign a confidentiality agreement before the information is released.

The bill amends Sec. 552.263 to authorize the public information officer to require a deposit or bond for payment of anticipated costs for preparing a copy of public information if the officer has provided the requestor with a written itemized statement required by Sec. 552.2615.

The bill amends Sec. 552.301 to require a governmental body to provide a copy of written arguments that it submitted to the Attorney General to a requestor within 15 business days.

The bill amended Sec. 552.323 to authorize the court to assess costs of litigation and reasonable attorney fees for an action brought under Sec. 552.324.

The bill amends Sec. 552.324 clarifying that the only suit a governmental body may file when trying to withhold information is a suit against the Attorney General that seeks declaratory relief (rather than a mandamus action) from compliance with an open records decision. A governmental body wishing to preserve affirmative defenses for its public information officer found in Section 552.353(b)(3) must file suit within the deadlines provided by that section. The bill clarifies certain sections relating to litigation between the Attorney General and governmental bodies.

(See Open Meetings Section for changes to Ch. 551, Gov't Code.)

**Status: Governor signed 6/19/09; Effective 9/1/09.**

#### PERSONS EXEMPTED FROM PREPAYMENT OF PERSONNEL COSTS FOR PUBLIC INFORMATION REQUESTS

##### **SB 1629 Wentworth**

Amends Sec. 552.275, Gov't Code

This bill adds newspapers of general circulation that are published on the Internet and magazines that are either published at least once a week or are on the Internet to the list of entities that may not be charged for public information requests that require large amounts of employee or personnel time. The bill includes individuals for whom a substantial portion of their livelihood or financial gain comes from gathering news or information and who seek the information for a radio or television station, newspaper, magazine, or other accepted form of information dissemination.

**Status: Governor signed 6/19/09; Effective 9/1/09.**

## **Other Codes and Statutes**

#### LIVESTOCK INCLUDES ELK

##### **HB 375 Miller, Sid**

Amends Sec. 1.003(3), Agriculture Code

This bill adds elk and elk hybrids to the definition of livestock.

**Status: Governor signed 5/27/09; Effective 5/27/09.**

#### TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM CHANGES

##### **HB 407 Kuempel**

Amends Chs. 841-845, Gov't Code

This bill addresses participation and credit in, contributions to, benefits from and administration of the Texas County and District Retirement System.

**Status: Governor signed 6/19/09; Effective 9/1/09.**

#### EMPLOYMENT RIGHTS OF THE DISABLED

##### **HB 978 Burnam**

Amends Ch. 21, Labor Code

This bill addresses the employment rights of the disabled. It defines "auxiliary aids and services," "major life activity," "regarded as having such impairment" and "disability." It also addresses business necessity.

**Status: Governor signed 6/19/09; Effective 9/1/09.**

#### COMPETITIVE BIDDING REQUIREMENTS CHANGED

##### **HB 987 Creighton**

Amends Chs. 262, 263, 274, 281 and 375, Local Gov't Code, and Ch. 44, Education Code

This bill changes the requirement for competitive bidding to \$50,000 from either the current law of \$10,000 or \$25,000 in the various sections dealing with procurements by local governments. These changes affect counties and others, but not cities or appraisal districts.

**Status: Governor signed 6/19/09; Effective 6/19/09.**

VOLUNTARY SPECIAL ASSESSMENT FOR ENERGY EFFICIENCY IMPROVEMENTS

**HB 1937 Villarreal**

Adds Ch. 376, Local Gov't Code

This bill authorizes a municipality to create a district within which property owners with developed lots may enter into contracts with the municipality to assess the properties a voluntary special assessment for energy efficiency improvements. It allows the municipality to impose the assessment only with the consent of the property owner to pay for the cost of energy efficient improvements or installation of renewable devices. The assessment constitutes a lien on the developed lot on which it is imposed.

**Status: Governor signed 6/19/09; Effective 9/1/09.**

REVISED PROCEDURES FOR URBAN LAND BANK DEMONSTRATION PROGRAM

**HB 2344 Giddings**

Amends Ch. 379C, Local Gov't Code

This bill changes how an urban land bank demonstration program acquires, holds, and transfers unimproved real property. In 2003, the Texas Legislature authorized home-rule municipalities with a 1.8 million population or more and located predominantly in a county with less than 1,000 square miles [City of Dallas] to adopt an urban land bank demonstration program in which the officer charged with selling real property ordered sold pursuant to foreclosure of a tax lien may sell certain eligible real property by private sale for purposes of affordable housing development.

**Status: Governor signed 6/19/09; Effective 6/19/09.**

TEXAS COMPTROLLER TO DEVELOP CENTRALIZED POOLED COLLATERAL PROGRAM

**SB 638 Nichols**

Amends Ch. 2257, Gov't Code

This bill authorizes the Texas Comptroller by rule to establish a centralized pooled collateralization of deposits maintained by participating institutions. Current law does not provide for pooled collateral and requires a public entity depositing funds with financial institutions in excess of FDIC limits to receive a pledge of securities having a market value greater than that of the deposits. Current law requires each entity to have its deposits collateralized individually, even if a financial institution holds deposits from several different entities.

**Status: Governor signed 6/19/09; Effective 9/1/09.**

TAX PAYMENTS BY ENTITIES MANAGING TIMESHARE PROPERTIES IN A RECREATIONAL DISTRICT

**SB 1638 Wentworth**

Amends Sec. 324.099, Local Gov't Code

This bill requires entities managing timeshare properties in a recreational district in a county with frontage on the Guadalupe and Comal Rivers to collect and remit all district taxes if the managing entity advertises for the property owner or collects rent for the property owner. The bill allows managing entities to file a certificate executed in good faith with the recreational district informing them they do not collect rent or advertise for the property owner.

**Status: Governor signed 5/23/09; Effective 9/1/09.**