

# CONFERENCE COMMITTEE REPORT FORM

Austin, Texas

5/24/19  
Date

Honorable Dan Patrick  
President of the Senate

Honorable Dennis Bonnen  
Speaker of the House of Representatives

Sirs:

We, Your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on HB 1313 have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

Brian Birdwell  
BIRDWELL

D. Buckingham  
BUCKINGHAM

J. J. Hinojosa  
HINOJOSA

Jedie Lucio Jr.  
LUCIO

Angela Paxton

PAXTON On the part of the Senate

John Sanford  
SANFORD

Phil Guillen  
GUILLEN

Jim Murphey  
MURPHEY

Gene N. Calanni  
CALANNI

Phil King  
KING On the part of the House

## Note to Conference Committee Clerk:

Please type the names of the members of the Conference Committee under the lines provided for signature. Those members desiring to sign the report should sign each of the six copies. Attach a copy of the Conference Committee Report and a Section by Section side by side comparison to each of the six reporting forms. The original and two copies are filed in house of origin of the bill, and three copies in the other house.



# CONFERENCE COMMITTEE REPORT

3<sup>rd</sup> Printing

H.B. No. 1313

A BILL TO BE ENTITLED

AN ACT

relating to ad valorem taxation.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 11.26, Tax Code, is amended by amending Subsection (i) and adding Subsection (i-1) to read as follows:

(i) If an individual who qualifies for the exemption provided by Section 11.13(c) [~~for an individual 65 years of age or older~~] dies, the surviving spouse of the individual is entitled to the limitation applicable to the residence homestead of the individual if:

(1) the surviving spouse is 55 years of age or older when the individual dies; and

(2) the residence homestead of the individual:

(A) is the residence homestead of the surviving spouse on the date that the individual dies; and

(B) remains the residence homestead of the surviving spouse.

(i-1) A limitation under Subsection (i) applicable to the residence homestead of the surviving spouse of an individual who was disabled and who died before January 1, 2020, is calculated as if the surviving spouse was entitled to the limitation when the individual died.

SECTION 2. Section 23.01(e), Tax Code, is amended to read as follows:

1           (e) Notwithstanding any provision of this subchapter to the  
2 contrary, if the appraised value of property in a tax year is  
3 lowered under Subtitle F, the appraised value of the property as  
4 finally determined under that subtitle is considered to be the  
5 appraised value of the property for that tax year. In the next  
6 ~~[following]~~ tax year in which the property is appraised, the chief  
7 appraiser may not increase the appraised value of the property  
8 unless the increase by the chief appraiser is reasonably supported  
9 by clear and convincing ~~[substantial]~~ evidence when all of the  
10 reliable and probative evidence in the record is considered as a  
11 whole. If the appraised value is finally determined in a protest  
12 under Section 41.41(a)(2) or an appeal under Section 42.26, the  
13 chief appraiser may satisfy the requirement to reasonably support  
14 by clear and convincing ~~[substantial]~~ evidence an increase in the  
15 appraised value of the property in the next ~~[following]~~ tax year in  
16 which the property is appraised by presenting evidence showing that  
17 the inequality in the appraisal of property has been corrected with  
18 regard to the properties that were considered in determining the  
19 value of the subject property. The burden of proof is on the chief  
20 appraiser to support an increase in the appraised value of property  
21 under the circumstances described by this subsection.

22           SECTION 3. Section 41.41, Tax Code, is amended by adding  
23 Subsection (c) to read as follows:

24           (c) An appraisal district or the appraisal review board for  
25 an appraisal district may not require a property owner to pay a fee  
26 in connection with a protest filed by the owner with the board.

27           SECTION 4. This Act applies only to a tax year beginning on

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1 or after the effective date of this Act.

2 SECTION 5. This Act takes effect January 1, 2020.

**House Bill 1313**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

*No equivalent provision.*

SECTION \_\_. Section 11.26, Tax Code, is amended by amending Subsection (i) and adding Subsection (i-1) to read as follows:

(i) If an individual who qualifies for the exemption provided by Section 11.13(c) [~~for an individual 65 years of age or older~~] dies, the surviving spouse of the individual is entitled to the limitation applicable to the residence homestead of the individual if:

(1) the surviving spouse is 55 years of age or older when the individual dies; and

(2) the residence homestead of the individual:

(A) is the residence homestead of the surviving spouse on the date that the individual dies; and

(B) remains the residence homestead of the surviving spouse.

(i-1) A limitation under Subsection (i) applicable to the residence homestead of the surviving spouse of an individual who was disabled and who died before January 1, 2020, is calculated as if the surviving spouse was entitled to the limitation when the individual died. [FA1]

SECTION 1. Same as Senate Version

SECTION 1. Section 23.01(e), Tax Code, is amended.

SECTION 1. Same as House version.

SECTION 2. Same as House version.

*No equivalent provision.*

SECTION \_\_. Section 41.41, Tax Code, is amended by adding Subsection (c) to read as follows:

(c) An appraisal district or the appraisal review board for an appraisal district may not require a property owner to pay a fee in connection with a protest filed by the owner with the board. [FA2]

SECTION 3. Same as Senate version.

**House Bill 1313**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

SECTION 2. This Act applies only to the appraisal of property for a tax year beginning on or after the effective date of this Act.

*No equivalent provision.* SECTION 2. [Deleted by FA1]

Same as Senate version.

*No equivalent provision.*

SECTION \_\_. This Act applies only to a tax year beginning on or after the effective date of this Act. [FA1]

SECTION 4. Same as Senate version.

*No equivalent provision.*

SECTION \_\_. (a) Except as provided by Subsection (b) of this section, this Act takes effect January 1, 2020.  
(b) Section 11.26, Tax Code, as amended by this Act, takes effect only if the constitutional amendment proposed by the 86th Legislature, Regular Session, 2019, to allow the surviving spouse of a person who is disabled to receive a limitation on the school district ad valorem taxes on the spouse's residence homestead if the spouse is 55 years of age or older at the time of the person's death is approved by the voters. If that constitutional amendment is not approved by the voters, Section 11.26, Tax Code, as amended by this Act, has no effect. [FA1]

Same as House version.

SECTION 3. This Act takes effect January 1, 2020.

*No equivalent provision.* SECTION 3. [Deleted by FA1]

SECTION 5. Same as House version.

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION**

**May 25, 2019**

**TO:** Honorable Dan Patrick, Lieutenant Governor, Senate  
Honorable Dennis Bonnen, Speaker of the House, House of Representatives

**FROM:** John McGeady, Assistant Director    Sarah Keyton, Assistant Director  
Legislative Budget Board

**IN RE: HB1313** by King, Phil (Relating to ad valorem taxation.), **Conference Committee Report**

**Passage of the bill would allow the surviving spouse of a disabled person to retain the tax ceiling benefit. As a result, taxable property values could be reduced and the related costs to the Foundation School Fund could be increased through the operation of the school finance formulas; however the provision would require authority in the Texas Constitution to take effect.**

The bill would amend Tax Code Chapter 11, regarding taxable property and exemptions, to allow the surviving spouse of a disabled person with a tax ceiling to retain the tax ceiling. The tax ceiling would be calculated as if the surviving spouse was entitled to the ceiling when the individual died if the individual who was disabled died before January 1, 2020.

The bill would amend Chapter 23 of the Tax Code, regarding appraisal methods and procedures, to increase the burden of proof from substantial evidence to clear and convincing evidence if the value was lowered under Subtitle F of Chapter 23, relating to remedies, in the prior year and the chief appraiser proposes to raise the value in the next tax year in which the property is appraised.

The bill would amend Chapter 41 of the Tax Code, regarding local review of appraisal, to prohibit an appraisal district or the appraisal review board from requiring a property owner to pay a fee in connection with a protest filed by the owner with the board.

The bill's provision allowing the surviving spouse of a disabled person to retain the tax ceiling benefit would create a cost to local taxing units currently granting the tax ceiling and to the state through the school funding formulas; however the provision would require authority in the Texas Constitution to take effect.

Increasing the standard of evidence from substantial to clear and convincing on increases in the appraised value of a property if the appraised value was lowered in the preceding year would increase the burden of proof and limit increases in appraised values resulting in a cost to local taxing units, and to the state through the school funding formulas. Current law specifying the evidence required by the chief appraiser to meet the burden of proof in an appraisal review board protest or district court appeal would not be changed under the bill. Consequently, although the value of properties that would be affected is unknown, the cost is not expected to be significant.

The bill's provision prohibiting an appraisal district or the appraisal review board from requiring a



property owner to pay a fee in connection with a protest filed by the owner with the board would not affect taxable property values, tax rates, collection rates, or any other variable that might affect the revenues of units of local governments or the state.

The bill would take effect January 1, 2020.

**Local Government Impact**

Passage of the bill would allow the surviving spouse of a disabled person to retain the tax ceiling benefit. As a result, taxable property values and the related ad valorem tax revenue for units of local government currently granting the tax ceiling could be reduced; however the provision would require authority in the Texas Constitution to take effect.

**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** WP, KK, SD, SJS

**Certification of Compliance with  
Rule 13, Section 6(b), House Rules of Procedure**

Rule 13, Section 6(b), House Rules of Procedure, requires a copy of a conference committee report signed by a majority of each committee of the conference to be furnished to each member of the committee in person or, if unable to deliver in person, by placing a copy in the member's newspaper mailbox at least one hour before the report is furnished to each member of the house under House Rule 13, Section 10(a). The paper copies of the report submitted to the chief clerk under Rule 13, Section 10(b), must contain a certificate that the requirement of Rule 13, Section 6(b), has been satisfied, and that certificate must be attached to the copy of the report furnished to each member under Rule 13, Section 10(d). Failure to comply with this requirement is not subject to a point of order under Rule 13.

I certify that a copy of the conference committee report on HB 1313 was furnished to each member of the conference committee in compliance with Rule 13, Section 6(b), House Rules of Procedure, before submission of the paper copies of the report to the chief clerk under Rule 13, Section 10(b), House Rules of Procedure.

Phil King

(name)

5/24/19

(date)