

BILL ANALYSIS

Senate Research Center

S.B. 1343
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Natural Resources & Economic Development
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Dallas County Utility and Reclamation District (DCURD) was directed by the Texas Legislature to enter into mandatory tax abatement agreements that established specific tax rate minimums for both commercial and multi-family development within DCURD's jurisdiction. In 2007, the legislature created an exemption for single-family residential property from taxation, not to exceed 60 cents per 100 dollars of assessed valuation. Many voluntary agreements between DCURD and single-family lot property owners were executed, and subsequently hundreds of single-family lots were developed and sold.

Section 11.43 (Application for Exemption), Tax Code, requires that an annual request for an exemption be filed and processed. Though property owners of single-family residential lots entered into these agreements that detailed the tax abatement, many of these property owners did not fully understand the requirements to claim the exemption, specifically the annual filing requirements of the Tax Code.

The DCURD board believes it is in the best interest of DCURD's taxpayers, and is consistent with the spirit of the tax abatement law, that the DCURD tax collector be authorized and directed to file the annual exemption request required under Section 11.43 on behalf of these property owners.

As proposed, S.B. 1343 amends current law relating to the procedure for claiming an exemption from ad valorem taxation by the Dallas County Utility and Reclamation District of certain property subject to a tax abatement agreement with the district and to the validation of certain actions of the district.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 4B, Chapter 628, Acts of the 68th Legislature, Regular Session, 1983, by adding Subdivision (16), as follows:

(16) Authorizes the tax assessor-collector for the Dallas County Utility and Reclamation District (district) or a person designated by the tax assessor-collector to file an application for the exemption on behalf of the property owner with the chief appraiser for the appraisal district in which the property is located, if the district enters into a tax abatement agreement with the owner of single-family residential property to exempt a portion of the taxable value of the property from taxation as authorized by Subdivision (7)(B) of this section.

SECTION 2. (a) Provides that all governmental and proprietary actions of the district taken before the effective date of this Act are validated, ratified, and confirmed in all respects as if the actions had been taken as authorized by law.

(b) Provides that this section does not apply to any matter that on the effective date of this Act is involved in litigation if the litigation ultimately results in the matter being held invalid by a final court judgment, or has been held invalid by a final court judgment.

SECTION 3. Provides that all requirements of the constitution and the laws of this state and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this Act are fulfilled and accomplished.

SECTION 4. Effective date: upon passage or September 1, 2015.