

BILL ANALYSIS

Senate Research Center

H.B. 2076
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Finance
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Engrossed

DIGEST AND PURPOSE

A travel trailer is a house trailer-type vehicle or a camper trailer, regardless of whether the vehicle is affixed to real property, that is less than 400 square feet and that is designed primarily for use as temporary living quarters in connection with recreational, camping, travel, or seasonal use and not as a permanent dwelling. Travel trailers are subject to a sales tax, but were not subject to real property taxes until two recent opinions (JC-0150 and JC-0282) by the Attorney General of Texas regarding ad valorem taxation on travel trailers. There is concern that this may constitute double taxation on travel trailers. H.B. 2076 provides that travel trailers that meet certain requirements are exempt from ad valorem taxation.

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 11.14(a), Tax Code, as follows:

- (a) Provides that, except as otherwise provided by this subsection, a person is entitled to an exemption from taxation of all tangible personal property, other than manufactured homes, that the person owns and that is not held or used for production of income. Provides that this subsection does not exempt from taxation a travel trailer, as defined by Section 11.142.

SECTION 2. Amends Chapter 11B, Tax Code, by adding Section 11.142, as follows:

Sec. 11.142. TRAVEL TRAILERS. (a) Defines "travel trailer."

- (b) Authorizes the governing body of a taxing unit, other than a school district, by official action of the body adopted in the manner required by law for official action to exempt from taxation a travel trailer that a person owns, regardless of whether the travel trailer is real or personal property, if certain requirements are met.

SECTION 3. Effective date: January 1, 2002, and provides that this Act applies only to taxes imposed for a tax year beginning on or after that date, but only if the constitutional amendment proposed by the 77th Legislature, Regular Session, 2001, authorizing the legislature to authorize taxing units other than school districts to exempt from ad valorem taxation travel trailers that are not held or used for the production of income is approved by the voters. Provides that if that amendment is not approved by the voters, this Act has no effect.