

BILL ANALYSIS

Senate Research Center

C.S.H.B. 1928
By: Flores (Lucio)
Finance
5/8/2007
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Currently, Section 11.14(a), Tax Code, provides that 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 the production of income. This exemption does not apply to any structure that a person owns that is substantially affixed to real estate and is used or occupied as a residential dwelling. Certain local taxing entities have interpreted the term "structure" to include a park model travel trailer.

Owners of park model travel trailers believe that their trailers should not be subject to ad valorem taxation because the trailers are easily towed, are built on a single chassis, and are not substantially affixed to real estate but can be skirted and tied down to satisfy insurance requirements. Such trailers are used only for temporary housing, and since they are built to a total of less than 400 square feet, they do not fall under the United State Department of Housing and Urban Development classification as a manufactured home. Also, trailers are registered and titled as recreational vehicles by the Vehicle Title & Registration Division within the Texas Department of Transportation.

C.S.H.B. 1928 clarifies the term structure in order to ensure that park model travel trailers are eligible for the exemption from ad valorem taxation.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 11.14(b), Tax Code, as follows:

(b) Defines "structure." Makes nonsubstantive changes.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: January 1, 2009.