

## **BILL ANALYSIS**

C.S.H.J.R. 54  
By: Hilderbran  
Ways & Means  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

In the 79<sup>th</sup> Legislature, H.B. 809 clarified that rendition requirements passed in the previous session did not impose a requirement on individuals to render their personal automobiles that are used both for personal and business purposes. A number of appraisal districts continue to tax mixed-use vehicles because the Texas Constitution does not specifically exempt business personal property from taxation. A recent Attorney General opinion (GA-0484) stated while a person does not have to render a personal automobile, the legislation (HB 809) did not establish such property is exempt from taxation.

C.S.H.J.R. 54 amends the Texas Constitution to exempt from ad valorem taxation one personally owned motor vehicle used both for personal and business purposes.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this resolution does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

The joint resolution allows the legislature by general law to exempt from taxation one motor vehicle, as defined by the Legislature, owned by an individual that is used both in the course of the individual's occupation or profession and for personal activities that do not involve the production of income.

The joint resolution creates a temporary provision which applies to the constitutional amendment proposed by the 80th Legislature, Regular Session, 2007, authorizing the legislature to exempt from ad valorem taxation one motor vehicle owned by an individual and used in the course of the owner's occupation or profession and also for personal activities of the owner and expires January 1, 2009.

### **EFFECTIVE DATE**

The joint resolution proposing an amendment to Section 1(d), Article VIII, of this constitution takes effect on the date of the official canvass of returns showing adoption of the amendment and applies beginning with the tax year that begins January 1, 2007.

The legislature may enact a general law authorized by the constitutional amendment that applies to the entire 2007 tax year, notwithstanding that the constitutional amendment was adopted after the beginning of that tax year, and a general law applicable to the entire 2007 tax year is not considered to be a retroactive law.

The proposed constitutional amendment shall be submitted to the voters at an election to be held November 6, 2007.

The ballot shall be printed to permit voting for or against the proposition: "The constitutional amendment authorizing the legislature to exempt from ad valorem taxation one or more passenger cars owned by an individual and used in the course of the owner's occupation or profession and also for personal activities of the owner."

## **COMPARISON OF ORIGINAL TO SUBSTITUTE**

The committee substitute deletes “passenger cars” and “light trucks” from the original bill as filed and replaces both with a definition of “motor vehicle.” The committee substitute also clarifies the exemption from ad valorem taxation applies to one motor vehicle. Finally, the committee substitute clarifies the exemption from taxation for one motor vehicle.