

## **BILL ANALYSIS**

Senate Research Center

H.B. 2116  
By: Craddick (Brown)  
Finance  
4-30-97  
Engrossed

### **DIGEST**

In the 74th Legislature H.B. 2624 was passed that amended various aspects of the appraisal and taxation of a dealer's motor vehicle inventories for property tax purposes. Certain aspects of the law still need minor changes to conform with current practices and changes in other laws. H.B. 2116 amends Sections 23.121 (Dealer's Motor Vehicle Inventory; Value) and 23.122 (Prepayment of Taxes by Certain Taxpayers) of the Tax Code relating to the ad valorem appraisal and taxation of a dealer's motor vehicle inventory.

### **PURPOSE**

As proposed, H.B. 2116 amends Sections 23.121 and 23.122, Tax Code, relating to the ad valorem appraisal and taxation of a dealer's motor vehicle inventory.

### **RULEMAKING AUTHORITY**

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

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 23.121(a), Tax Code, to redefine "dealer," "fleet transaction," "motor vehicle," and "towable recreational vehicle."

SECTION 2. Amends Section 23.121(h), Tax Code, to set forth requirements of a report to be sent by the chief appraiser to the Texas Department of Transportation.

SECTION 3. Amends Section 23.121(k), Tax Code, to require the chief appraiser or a person designated by the chief appraiser to collect certain penalties. Makes a conforming change.

SECTION 4. Amends Section 23.122(f), Tax Code, to authorize a chief appraiser or collector to examine documents as required, rather than provided, by this subsection.

SECTION 5. Amends Section 23.122(g), Tax Code, to delete text regarding an exception to this subsection. Deletes Subdivision (1).

SECTION 6. Amends Section 23.122(l), Tax Code, to require certain owners to notify the chief appraiser and the collector that the purchaser has agreed to pay certain taxes owed by the selling dealer.

SECTION 7. Amends Section 23.122(n), Tax Code, to provide that a tax lien attaches to a dealer's, rather than an owner's, personal property. Makes conforming changes.

SECTION 8. Emergency clause.  
Effective date: upon passage.