



The Official Publication of the Tax Assessor-Collectors Association of
THE COUNTY TAX \$ STATEMENT

**41st Annual V.G. Young School for
County Tax-Assessors**



Hilton Waco Convention Center

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2023

- *TXDMV UPDATES
- *LEGISLATION OF INTEREST
- *TPWD UPDATES

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The County Tax Statement is the official publication of the Tax Assessor-Collectors Association of Texas and is published four times each year for the benefit of its members and interested contributing parties. The purpose of the organization is to promote professional standards, to unify actions for the benefit of its constituents, to be aware and participate in the legislative process, and to provide a vehicle to educate its members in the proper conduct of the constitutional office of the Assessor-Collector of Taxes.

Legislation of Interest from 88th Legislative Session and Beyond

During the regular session of the 88th Legislature, several bills passed impacting operations for tax assessor-collectors statewide. Additionally, three significant bills passed during the 2nd Called Special Session providing temporary property tax relief. Below please find a brief summary of the more significant bills passed by the Texas Legislature, and you can reach out to Caroline Love, Legislative Consultant for the Texas Association of Counties, at CarolineL@county.org for more information.

MOTOR VEHICLES

The most significant legislation impacting tax assessor-collectors is the passage of [HB 718](#) by Rep. Craig Goldman eliminating paper temporary tags and transitioning to the issuance of a metal license plate for all passenger vehicles and trucks. The legislation requires dealers to affix a general issue license plate at the time of vehicle purchase. It also authorizes the Texas Department of Motor Vehicles (TxDMV) to develop rules implementing processes and procedures for tax assessor-collectors and dealers to follow. Another key component of the legislation requires a licensed motor vehicle dealer to use TxDMV's webDEALER system to electronically submit license plate assignments upon vehicle sale. While HB 718 does not take effect until July 1, 2025, TxDMV is required to complete rulemaking by Dec. 1, 2024. This allows any potential issues discovered during the interim to be addressed by the 89th Legislature.

Additionally, [HB 3860](#) by Rep. Goldman transfers liability from tax assessor-collectors to licensed motor vehicle dealer deputies as it relates to fraudulent or misuse of license plate inventory. This goes into effect Sept. 1, 2023.

As it relates to vehicle safety inspections, [HB 3297](#) by Rep. Cody Harris eliminates the Vehicle Safety Inspection Program for non-commercial vehicles beginning Jan. 1, 2025. Passenger vehicles and trucks will no longer be required to obtain a passing vehicle inspection to register after this date. However, HB 3297 establishes an equivalent vehicle inspection replacement fee to be paid at the time of vehicle registration for deposit to the Texas Mobility Fund, the General Revenue Fund and the Clean Air Account. The legislation also maintains federal emissions inspection requirements for counties in non-attainment or near non-attainment status. In corresponding legislation, [HB 3014](#) by Rep. Caroline Harris clarifies fully electric vehicles are not required to obtain any annual inspection, either safety or emissions, effective Sept. 1, 2023.

Speaking of fully electric vehicles, [SB 505](#) by Sen. Robert Nichols assesses an additional \$200 annual fee on a fully electric vehicle at the time of vehicle registration. For a new fully electric vehicle, with the two-year initial inspection timeframe, a \$400 fee will be assessed. This new fee becomes effective Sept. 1, 2023.

ELECTIONS

For those tax assessor-collector who are also voter registrars, a couple of bills of interest passed during the regular session. [HB 357](#) by Rep. John Bucy requires all run-off elections to be held on a Saturday designated by the Secretary of State and goes into effect Sept. 1, 2023. The date must be:

- Not earlier than the 30th day after the date of the main election.
- Not later than the 45th day after the date of the main election.
- Not on a national or state holiday.

This result in compensation time for county or election administrator employees who are required to be open during election hours.

Another bill going into effect Sept. 1, 2023 is [HB 1217](#) by Rep. Valoree Swanson which standardizes early voting hours across rural and urban counties, stating early voting must be conducted for at least 12 consecutive hours on each weekday. Voting must occur not earlier than 6 a.m. or later than 10 p.m. For counties with a population of less than 55,000, there is an option to use Chapter 19 funds through the Secretary of State to assist in defraying any costs associated with implementation.

PROPERTY TAX

During the regular session, [HB 3273](#) by Rep. Shawn Thierry removes the requirement for appraisal districts to mail Truth-in-Taxation postcards beginning with the 2024 tax year. However, the same language from postcard notices is to be posted prominently on the appraisal district and taxing unit websites, as well as published in a newspaper of general circulation.

Property Tax relief legislation was passed during the 2nd Called Special Session of the 88th Legislature through compression of school maintenance and operations rates, homestead exemptions, franchise tax relief and a new circuit breaker provision.

Through the passage [SB 2](#) by Sen. Paul Bettencourt and the enabling [HJR 2](#) by Rep. Will Metcalf property tax relief will be provided through several measures, including:

- Reducing the amount school districts assess through property taxes, also known as the maximum compressed tax rate, by \$0.107 for the 2023-2024 school year.
- Increasing the general school district homestead exemption from \$40,000 to \$100,000 (all other taxing units maintain the \$40,000 homestead exemption). For seniors and disabled homestead exemptions, the general school district homestead exemption is increasing to \$110,000.
- Starting Jan. 1, 2024 for non-homestead properties valued under \$5 million, creates a new circuit breaker provision limiting the annual appraised value increase to 20%. This section expires Dec. 31, 2026 and cannot be renewed without further action from the Legislature.
- For counties with a population of 75,000 or more,
 - increasing the membership of the appraisal district's board of directors by three members, to be elected in non-partisan elections; and
 - providing for the appointment of appraisal review board members by the appraisal district's board of directors.

The language also specifies the appraiser must calculate rates for the 2023 tax year as if all changes included in SB 2 are in effect. Additionally, the statement shall include language stating if the Texas Legislature had not acted, the tax bill would be a specified amount higher for that property. If the voters do not approve the associated constitutional amendment, a supplemental tax statement shall be prepared and mailed. The election is to be held Nov. 7, 2023.

As it relates to franchise tax, [SB 3](#) by Bettencourt increases the total revenue exemption for small businesses to \$2.47 million and eliminates the requirement for a taxable entity that does not owe any franchise tax because of this exemption to file an information report with the comptroller. This legislation goes into effective Jan. 1, 2024.

Dallas County TAC, John R. Ames presented the 2023 Distinguished Service Award to Michelle French, Denton County TAC.



Bruce Stidham’s Past Presidents Awards



From left, Jennifer Carey, Shay Luedeke, Christina McMurray, Ronnie Keister



Bruce Stidham presenting to Karen Lane

TxDMV Update

88th Legislative Session Bill Implementation

The Vehicle Titles and Registration (VTR) Division is working with the Office of General Counsel (OGC) and the Information Technology Services Division (ITSD) on the implementation of 34 VTR-related bills that passed during the 88th legislative session. Activities include rule-drafting, programming changes to the department's automated systems, and the implementation of 15 new specialty license plate bills.

In addition, VTR is actively working on Registration and Title Bulletins (RTBs) and related updates to the TxDMV website, customer forms, and manuals to inform stakeholders of the changes and impacts.

Some noteworthy pieces of legislation that will be effective September 1, 2023, include:

- SB 505 which establishes an annual \$200 Electric Vehicle Fee for fully electric vehicles.
- HB 198 which allows travel trailer owners to self-certify the road safety of their travel trailers regardless of gross vehicle weight.
- HB 3288 makes changes to the vehicle transfer notification by requiring specific information which allows the notice of transfer to be accepted by the department.
-

Bills passed during the 88th session that will be effective in 2025 are:

- HB 3297 which eliminates the requirement of a safety inspection program in non-emissions counties and replaces the state portion of the inspection fee with a replacement fee.
- HB 718 which eliminates paper tags and requires dealers to issue metal license plates at time of vehicle sale.

The department will work with county tax assessor-collectors, dealers and law enforcement as implementation efforts continue in advance of the effective dates of these bills.

89th Annual Tax Assessor-Collectors Association Conference

The Vehicle Titles and Registration (VTR) Division attended the 89th Annual Tax Assessor-Collectors Association (TACA) Conference June 4 through June 7 in Dallas. This year's conference theme was Forward Together.

On Monday, June 5, during the roundtable discussions, the TxDMV had four panelists available to answer questions related to title and registration activities, among additional TxDMV support in the audience.



The TxDMV panelists included, Kimberley Jaso, Title Services Section Director, Courtney Juarez, Title Services Program Supervisor, Charlie Escobedo, Field Service Manager, and Romeo McCain, Registration Services Program Supervisor, and the session lead, Annette Quintero, Vehicle Titles and Registration Division Director.

On Tuesday, June 6, during the Deputy Session: DMV Reports, the TxDMV had five panelists available to answer questions. This session provided an overview of the various reports available to the tax assessor-collector's offices.



The TxDMV panelists included in the photo to the left (from left to right) are Trinie De La Cruz, Assistant Director Regional Services, Angelica Rodriguez, Assistant Director Regional Services, Sarah Balderas, Waco Regional Service Center Manager, Andrea Berlocher, Lead Compliance Specialist, and Charlie Escobedo, Field Service Manager.

Department staff also spent time at the TxDMV booth.

Participants in the photo to the right include (from left to right) Trinie De La Cruz, Assistant Director Regional Services, Fetina Green, Dallas Regional Service Center Manager, Wendy Cook, Information Specialist from Government and Strategic Communications, Angelica Rodriguez, Assistant Director Regional Services, Christy McDaniel, Fort Worth Regional Service Center Manager, and Desiree Ewing, Fort Worth Regional Service Center Supervisor.



Title Services

webSALVAGE Electronic Titling Project

VTR and ITSD continue to work on development efforts for the webSALVAGE electronic titling project. The first phase of the project was implemented in June as part of our Registration and Title System (RTS) 23.3 release. This first phase of the project is a pilot which provides the ability for select salvage pool operators to apply for an original Texas title electronically through the application. These title transactions will be reviewed and approved by county tax assessor-collectors through the department's webDEALER application. The department is working closely with these entities and the counties those entities plan to submit title transactions to, in order to pilot this phase of the project.

As the project development continues, additional programming will be accomplished with the RTS 23.4 release anticipated for the end of August, which will continue to expand electronic titling functionality and additional title application processes within the webSALVAGE application.

In addition, this project includes a deliverable to implement an identity management solution that can be leveraged across the department's web-based applications. VTR and ITSD will onboard a vendor to assist in implementing an identity management solution to verify the identity of users accessing our systems, as well as allow for electronic odometer disclosure capabilities that meet the federal identity requirements.

Regional Services

Recognizing Outstanding Dedication and Service

The Texas Department of Motor Vehicles (TxDMV) established the [Performance Quality Recognition Program](#) (PQRP) to recognize county tax assessor-collectors that go above and beyond in complying with Texas laws, agency rules, and exceeding expected customer service. The department is charged by statute to establish standards for uniformity and service quality for counties. This program provides the best practices the department has determined to recognize county tax assessor-collectors and their offices for outstanding performance and efficiency in processing title and registration transactions.

This is a voluntary multi-level recognition program available to all 254-county tax assessor-collectors. The three levels of recognition for the program are Gold, Silver, and Bronze. This year's winners include:

➤ **Gold Level Recognition**

Tarrant County – Wendy Burgess, Tax Assessor-Collector. This award presentation is currently scheduled for August of 2023.

➤ **Silver Level Recognition**

Bexar County – Albert Uresti, Tax Assessor-Collector (photo below).



McLennan County – Randy H. Riggs, Tax Assessor and Collector (photo below).



➤ **Bronze Level Recognition**

Brazoria County – Kristin R. Bulanek, Tax Assessor-Collector (photo below).



Karnes County – Tammy Braudaway, Tax Assessor-Collector (photo below).





Boat Titling, Registration & Marine Licensing

Sales Tax, Use Tax, and the Tax Cap

While not new, we often receive questions asking for clarification between Sales Tax and Use Tax, and when the cap on boat and outboard motor tax applies.

- Sales Tax is due for every boat under 115' in length (other than a canoe, kayak, rowboat, raft, punt, or other vessel designed to be propelled by paddle, oar, or pole) and outboard motor purchased in Texas.
- Use Tax is due for every boat under 115' feet in length (other than those noted previously) and outboard motor purchased outside of Texas.

The tax for boats and outboard motors purchased in Texas on or after September 1, 2019 is capped at \$18,750.00 (equivalent to a \$300,000.00 sales price). Boats and outboard motors purchased in Texas with a combined sales price greater than \$300,000.00 must report tax separately (the sales price for both assets may not be combined on the vessel/boat application for tax payment purposes).

There is **no** cap on the tax due for boats and outboard motors purchased in Texas prior to September 1, 2019, and there is **no** cap for boats and outboard motors purchased outside of Texas, regardless of the purchase date.

Note: *If tax is not paid by the date due, penalty and interest will apply. If the tax is capped at \$18,750.00, penalty and interest will be calculated based on the cap.*

So, if the purchase price for a boat is \$275,000.00 and the purchase price for the outboard motor is \$30,000.00, can the customer combine the two on the Vessel/Boat Application (PWD 143) and mark the qualifying exemption on the Outboard Motor Application (PWD 144)?

It depends on when and where the boat and outboard motor were purchased. If they were purchased prior to September 1, 2019, or purchased out of state, then the cap on the tax does not apply and the purchase price may be combined.

If they were purchased in Texas on or after September 1, 2019, then no, the purchaser cannot combine the sales price for the boat with the sales price of the outboard motor because the combined price, \$305,000.00, exceeds the amount that would be capped. Tax is due and payable on each individual asset, and the cap applies to each individual asset. If the purchaser has a combined bill of sale, the purchaser must contact the seller and obtain a bill of sale with the price of the boat and price of the outboard motor separated.

BRITS User's Manual

Under the BRITS System Information link provided on the initial TPWD login screen, there is a link to the BRITS User's Manual in the Local Links section on the upper left side of the page. The manual provides information covering all aspects of processing transactions in the Boat Registration Information & Titling System (BRITS), including current system functionality, decal inventory procedures, and document packaging and submission procedures.

If you have any questions, please contact a TPWD Boat Liaison at (512) 389-4393 for assistance.



A little conference fun...



As always, the Tax Assessor-Collectors Association would like to offer our sincerest appreciation to the following sponsors of the 2023 Conference in Dallas.

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