

CHAPTER 181

S.B. No. 367

AN ACT

relating to the exemption of recreational boats from ad valorem taxation.

*Be it enacted by the Legislature of the State of Texas:*

SECTION 1. Section 11.14, Subchapter B, Chapter 11, Tax Code, is amended to read as follows:

Sec. 11.14. HOUSEHOLD GOODS AND PERSONAL EFFECTS. (a) An individual is entitled to an exemption from taxation of his household goods and personal effects that are not held or used for production of income.

(b) In this section:

(1) "Household goods" means furnishings, appliances, utensils, and other tangible personal property used primarily in or around a residence by the residents and their guests.

(2) "Personal effects" means tangible personal property that normally is worn or carried by an individual or that is used by an individual in personal, recreational, or other activities that do not involve production of income. *Boats which are owned and used by a family or individual for recreational activities and are not held or used for the production of income are exempt under this section. A family owns a boat for purposes of this section if any member of the family owns the boat.*

(3) "Personal effects" does not include a motor vehicle, boat (*other than as described in Subdivision (2) of this subsection*), or other means of transportation, a trailer that must be registered for operation on a highway, or a mobile home or similar vehicle designed for occupancy as a dwelling.

(c) *The governing body of a taxing unit by ordinary resolution or order, depending upon the method prescribed by law for official action by that governing body, may provide for taxation of all boats exempted under Subsection (a). If the governing body of a taxing unit provides for taxation of all boats as provided by this subsection, the exemption prescribed by Subsection (a) does not apply to that unit.*

(d) *The central appraisal district for the county shall determine the cost of appraising boats required by a governing body under the provisions of Subsection (c) and shall assess those costs to the taxing unit or taxing units which provide for the taxation of boats.*

SECTION 2. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended, and that this Act take effect and be in force from and after its passage, and it is so enacted.

Passed the Senate on March 23, 1987, by a viva-voce vote; and that the Senate concurred in House amendment on May 12, 1987, by the following vote: Yeas 30, Nays 0. Passed the House, with amendment, on May 7, 1987, by the following vote: Yeas 140, Nays 2, one present not voting.

Approved May 26, 1987.

Effective May 26, 1987.