

By: Merritt

H.B. No. 395

A BILL TO BE ENTITLED

AN ACT

relating to the rendition of property for ad valorem tax purposes
and to the imposition of a penalty for failure to render property.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 22.01(a), Tax Code, is amended to read as
follows:

(a) Except as provided by Chapter 24 of this code, a person
shall render for taxation:

(1) all tangible personal property used for the
production of income that the person [~~he~~] owns or that the person
[~~he~~] manages and controls as a fiduciary on January 1; and

(2) all residential real property, and all real
property used for the production of income other than property
appraised under Subchapter C, D, E, F, G, or H, Chapter 23, that the
person owns or that the person manages and controls as a fiduciary
on January 1 if the person did not own the property or manage and
control the property as a fiduciary on the preceding January 1.

SECTION 2. Subchapter B, Chapter 22, Tax Code, is amended by
adding Section 22.28 to read as follows:

Sec. 22.28. PENALTY FOR FAILURE TO DELIVER RENDITION
STATEMENT OR PROPERTY REPORT. (a) If a person required by this
chapter to deliver a rendition statement or property report to the
chief appraiser fails to deliver the statement or report in the time
required by this chapter, a penalty is imposed on the property

1 required to be included on the statement or report by each taxing
2 unit that imposes taxes on the property. The penalty is equal to 10
3 percent of the taxes imposed by the taxing unit for the tax year on
4 the property.

5 (b) If a person delivers a rendition statement or property
6 report required by this chapter to the chief appraiser after May 15
7 but before June 1, the chief appraiser shall:

8 (1) appraise the property as of January 1 of the year
9 in which the person was required to deliver the statement or report
10 and enter in the appraisal records the appraised and taxable value
11 of the property, if the property was not previously included in the
12 appraisal records;

13 (2) make an entry in the appraisal records for the
14 property indicating liability for the penalty imposed under
15 Subsection (a); and

16 (3) send a written notice of imposition of the penalty
17 to the person who delivered the statement or report that includes an
18 explanation of the procedures for protesting the imposition of the
19 penalty.

20 (c) If on or after June 1 the chief appraiser discovers that
21 a person required by this chapter to deliver a rendition statement
22 or property report failed to deliver the statement or report before
23 June 1, the chief appraiser shall:

24 (1) appraise the property as of January 1 of the year
25 in which the person was required to deliver the statement or report
26 and enter in the appraisal records the appraised and taxable value
27 of the property, if the property was not previously included in the

1 appraisal records;

2 (2) make an entry in the appraisal records for the
3 property indicating liability for the penalty imposed under
4 Subsection (a); and

5 (3) send written notice of imposition of the penalty
6 to the person required to deliver the statement or report that
7 includes an explanation of the procedures for protesting the
8 imposition of the penalty.

9 (d) The assessor for each taxing unit that imposes taxes on
10 the property shall add the amount of the penalty to the unit's tax
11 bill for taxes on the property or, if the tax bill has been
12 delivered, shall deliver to the property owner a supplemental bill
13 for the penalty. The penalty is due and shall be collected at the
14 same time and in the same manner as the taxes on the property.

15 (e) A penalty imposed under Subsection (a) that becomes
16 delinquent accrues penalties and interest in the same manner as a
17 delinquent tax.

18 (f) A penalty imposed under Subsection (a) and any penalty
19 or interest accruing on the penalty:

20 (1) are the personal obligation of the property owner;
21 and

22 (2) constitute a lien on the property on which the
23 penalty is imposed.

24 (g) This section does not apply to a rendition statement or
25 property report required or permitted by Section 22.02 or 22.03.

26 SECTION 3. This Act takes effect January 1, 2004, and
27 applies only to the rendition of property for ad valorem tax

1 purposes for a tax year beginning on or after that date.