

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION**

**April 16, 2003**

**TO:** Honorable Frank Madla, Chair, Senate Committee on Intergovernmental Relations

**FROM:** John Keel, Director, Legislative Budget Board

**IN RE: SB725** by Wentworth (Relating to the payment of ad valorem taxes on property erroneously omitted from a tax roll and to the waiver of penalties and interest on an ad valorem tax that becomes delinquent due to the error of a taxing unit or appraisal district.), **Committee Report 1st House, Substituted**

<p><b>No fiscal implication to the State is anticipated.</b></p>
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The bill would establish a delinquency date for property tax bills that include taxes on property erroneously omitted from previous tax rolls. The delinquency date would be established as February 1 of the first year that would provide the taxpayer at least 180 days after the tax bill is mailed in which to pay the taxes before they become delinquent.

The bill would permit a taxing unit governing body to waive interest on a delinquent property tax bill if an act or omission of an officer, employee, or agent or the taxing unit or appraisal district caused or resulted in the taxpayer's failure to pay the tax before the delinquency date.

Finally, the bill would shorten the period during which a taxpayer must pay a delinquent tax to qualify for a waiver of penalties and interest. The period would be reduced from the third anniversary of the date the taxpayer knows or should know of the delinquency, to the 21st day after the taxpayer knows or should know of the delinquency.

Since the bill would not impact taxable property values reported to the Commissioner of Education by the Comptroller's office, no fiscal impact to the State is anticipated.

**Local Government Impact**

Passage of the bill would increase the time frame for payment of taxes on property erroneously omitted from past tax rolls and could have the effect of delaying payment of property taxes to some taxing units. Taxing units electing to waive interest on delinquent property taxes would at their discretion reduce local revenue by an undetermined amount; however, the shortening of the period during which a taxpayer must pay delinquent taxes and qualify for a waiver would somewhat offset the potential impact of a local decision to waive interest.

**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** JK, DLBa, SD, WP, DLBe