

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

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

**May 6, 2003**

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

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

**IN RE: SB1659** by Madla (Relating to certain ad valorem tax exemptions, payments, and refunds. ),  
**Committee Report 1st House, Substituted**

**No significant fiscal implication to the State is anticipated.**

The bill would amend various sections in the Tax Code concerning homestead exemption application filings, property tax payments, and property tax refunds.

The bill would require the chief appraiser to accept and approve or deny a late residence homestead exemption application within one year after the applicable tax year. Under current law, an owner may file a late homestead exemption up to one year after taxes on the homestead were paid or became delinquent, whichever falls earlier.

The bill would permit a property owner in writing to direct the delivery of tax refunds to his or her designated agent. The bill would also require the payment of a property tax refund, without further documentation to the person who owned the subject property on January 1 of the applicable tax year.

The bill would prohibit a taxing unit from requiring a property owner or his or her agent to provide a tax receipt as evidence that a tax had been paid or to receive a tax refund for overpayment or erroneous payment of property taxes.

Section 403.302 of the Government Code requires the Comptroller to conduct a property value study to determine the total taxable value for each school district. Total taxable value is an element in the state's school funding formula. Passage of this bill could reduce school district taxable values reported to the Commissioner of Education by the Comptroller and increase costs to the Foundation School Fund.

The provision to extend the period for allowing late homestead exemptions would result in a revenue loss because of property tax refunds and reductions in taxable value to taxing units, including school districts. The provisions concerning a property owner's right to assign delivery of tax refunds to his or her agent would have no impact on the state or units of local government.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

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

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