

## **BILL ANALYSIS**

C.S.H.B. 1680  
By: Swinford  
Local Government Ways & Means  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Throughout the state, there have been some instances in which various taxing entities such as school districts, counties, hospital districts and other taxing entities, have had to deal with a shortage of funds when one of the major taxpayers refused to pay on the current appraised value while an appeal or court case is in progress. In one particular instance, a company paid under protest on the appraised value for several years, but then one year, after the governmental bodies had set their budgets, stopped paying on the protested amount. This placed a great hardship on those governmental bodies resulting in them having to make up the shortfall from their fund balance the first year and then raising taxes on the other taxpayers the following year while the protest was still in court.

Having to do this creates another problem for school districts. If school districts do not collect a high enough percentage of their taxes, they can be penalized by the comptroller for under collecting. However, if the property owner had continued paying the taxes under protest, the school districts or other taxing entities would have been setting aside monies to pay back the property owner for any over paid taxes. Some of these concerns for schools have been addressed with other legislation, however there are still concerns for other taxing entities.

CSHB 1680 would help alleviate the problems some taxing entities face by requiring that a property owner who's taxable appraised value is one of the top five valued properties on the appraisal roll certified by the assessor for any taxing entity that the amount of property taxes the entity must pay is the amount of taxes due on the property under the order from which an appeal is taken.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

Section 1. Section 42.08, Tax Code, is amended by adding an exception in subsection (b) that is pursuant to subsection (b-1).

CSHB 1680 further amends Section 42.08, Tax Code, which states that this subsection applies only to an appeal in which the property subject to the appeal is one of the top five properties having the greatest taxable value of all the properties listed on the appraisal roll certified by the assessor for any taxing unit that imposes taxes on the property of the tax year to which the appeal applies. The bill also states that the amount of taxes the property owner must pay on the property before the delinquency date to proceed to a determination of the appeal is the amount of taxes due on the property under the order from which the appeal is taken.

Section 2. States that the changes made by CSHB 1680 only apply to an appeal under Chapter 42, Tax Code, filed on or after the effective date. If filed before it is governed by current law.

Section 3. Effective Date

### **EFFECTIVE DATE**

September 1, 2007

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## **COMPARISON OF ORIGINAL TO SUBSTITUTE**

In comparison of the original to the substitute, CSHB 1680 changes the requirement in subsection (b-1) that the subsection applies to a property that equaled twenty percent or more of the total taxable value as listed on the appraisal roll certified to the assessor for any taxing unit instead, the subsection applies to an appeal of one of the five properties having the greatest taxable value of all the properties listed on the appraisal roll certified to the assessor for any taxing unit.