

BILL ANALYSIS

C.S.H.B. 2687

By: Haggerty
Local Government Ways & Means
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Section 41.411 of the Tax Code allows taxpayers who have not been provided with notices required to be sent by appraisal districts under the Tax Code, the right to file a notice of protest complaining about the appraisal districts' failure to deliver the required notice. Such notices include additions of property to appraisal rolls, raising of taxpayers' values, removal or exemptions and cancellations of special valuations. Courts have recently ruled that taxpayers are put on notice by the receipt of a tax bill that their rights to notice have been violated and that they are required to act within the statutory period to remedy the notice defect. Under current law, taxpayers are required to file a notice of protest, complaining of the failure to deliver the required notice, by no later than the delinquency date, which is the later of January 31 or the first day of the next month that gives a taxpayer a full 21 days. Taxpayers are also required to make a tax tender within the same period. Taxpayers who fail to comply with both of these conditions forfeit their right to complain of the lack of notice. Frequently, when an appraisal district fails to deliver a required appraisal notice, tax bills are also not delivered in a timely fashion. In many instances, the first notice that a taxpayer receives indicating that a problem exists, is a delinquent tax bill, a demand for payment of delinquent taxes from a law firm, or a delinquent tax lawsuit. By that time, their rights to file a notice of protest have lapsed.

This bill extends the time for taxpayers to file a notice of protest complaining of the failure of an appraisal district to deliver a statutorily required notice and to make a tax tender by 125 days from the date on which an appraisal review board determines a taxpayer was first delivered notice that taxes are due.

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. Amends Section 41.411(c), Tax Code to extend the time for a taxpayer to make a tax tender, which is a condition precedent to the filing of a protest of failure of an appraisal district to deliver a required statutory notice, to 125 days after an appraisal review board determines that a property owner first was delivered written notice of taxes due on the property by a taxing unit.

SECTION 2. Amends Section 41.44, Tax Code to allow property owners to file notices of protest of the failure of an appraisal district to deliver a statutorily required notice to 125 days after an appraisal review board determines that a property owner was first delivered written notice of taxes due on the property by a taxing unit. If the board determines that a taxpayer did not receive a timely bill, the delinquency date is postponed 125 days after the earliest date written notice of taxes due on the property was received.

SECTION 3. Makes the application of these provisions prospective.

SECTION 4. Effective date: January 1, 2008.

COMPARISON TO ORIGINAL

The substitute changes in Section 41.411(c), Tax Code, the statutory reference for a hearing from Section 41.44(c-1) to Section 41.44(c-3). Additionally, the substitute changes in Section 41.411(c) and Section 41.44 (c-3) the notice requirements to a property tax owner from “received a tax bill” to “delivered written notice”, and makes reference to the “earliest” date. The substitute also removes in 41.411(c) “if that date is later than the delinquency date otherwise provided by law”. The substitute changes the time for taxpayers to file a notice of protest from the 126th day to the 125th day from the date on which an appraisal review board determines a taxpayer was first delivered notice that taxes are due. Finally, the substitute eliminates the secondary notice reference to “the fifth day after the hearing” and removes the language regarding when a tax bill is not timely received.

EFFECTIVE DATE

This Act takes effect January 1, 2008.