

BILL ANALYSIS

H.B. 2909
By: Gattis
Local Government Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

On occasion real property is erroneously omitted by an appraisal district from the appraisal or tax roll. This may be due to the failure of the taxing entity to provide the appraisal district with accurate information or the responsibility for the error may lie with the appraisal district; the error may be something as simple as the failure to accurately enter a code that would reflect that the parcel lies within a certain taxing entity.

Irrespective of whether the error lies with the appraisal district or the taxing entity, the burden falls on the property owner to pay large sums of taxes, interest and penalties when the error is discovered. This is unfair because the property owners did not "hide" the real property from taxation. Moreover, in fast growth areas and in areas containing many taxing entities such as special services districts, etc., many property owners are unaware of all the taxing entities their property may lie in.

To help alleviate the burden of paying huge amounts of taxes, interest and penalties on real property omitted from the appraisal or tax roll, House Bill 2909 allows, but does not require, the governing body of the taxing unit to elect not to impose or collect these taxes, interest, or penalties. Thus this bill actually provides greater local control by empowering the local entity to do what it considers just in an official action when the erroneous omission has been discovered.

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

House Bill 2909 amends Section 25.21, Tax Code, by adding Subsection (c) to provide that if real property was erroneously omitted from the appraisal roll or tax roll for a taxing unit for any of the five preceding tax years, the governing body of the taxing unit, in the manner required by law for official action by the body, may: (1) provide that taxes of the taxing unit not be imposed on the real property for that tax year; or (2) elect not to collect taxes imposed on the real property for that tax year or any penalties or interest due on those taxes. House Bill 2909 takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If House Bill 2909 does not receive the vote necessary for immediate effect, it takes effect on the 91st day after the last day of the legislative session.

EFFECTIVE DATE

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