

By: Puente

H.B. No. 2286

A BILL TO BE ENTITLED

AN ACT

relating to the authority of a chief appraiser to audit a rendition statement or property report delivered to the chief appraiser.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter B, Chapter 22, Tax Code, is amended by adding Section 22.31 to read as follows:

Sec. 22.31. INVESTIGATIONS AND AUDITS. (a) The chief appraiser, or a person authorized by the chief appraiser in writing, may:

(1) examine, copy, and photograph the books, records, and papers of a person who files a rendition statement or property report required by this chapter to verify the accuracy of the statement or report; and

(2) by delivery of written notice to the property owner or to an employee, representative, or agent of the property owner, not later than the 10th working day after the date the notice is delivered, require the property owner to produce to the chief appraiser or an agent or designated representative of the chief appraiser for inspection the books, records, and papers used as a basis for the preparation of the rendition statement or property report.

(b) If the chief appraiser determines as the result of an investigation under this section that the chief appraiser's reliance on a rendition statement or property report resulted in

1 the omission or undervaluation of taxable property in the current  
2 tax year or in any one of the five preceding tax years, the chief  
3 appraiser shall add the omitted property or the portion of the  
4 appraised value of undervalued property that was erroneously  
5 omitted for each tax year to the appraisal roll as provided by  
6 Section 25.21 for other property that escapes taxation.

7 (c) The chief appraiser may not conduct an investigation of  
8 a property owner under this section more frequently than once every  
9 three years, except that if the chief appraiser takes action under  
10 Subsection (b) as a result of an investigation of a property owner,  
11 the chief appraiser may conduct an investigation of the property  
12 owner in the following year.

13 (d) Copies of books, records, or papers made or retained by  
14 the chief appraiser or an agent or representative of the chief  
15 appraiser in the course of an investigation under this section are  
16 confidential to the same degree that a rendition statement or  
17 property report is confidential under Section 22.27.

18 (e) The chief appraiser may not employ a person on a  
19 contingency fee basis to conduct an audit under this section.

20 SECTION 2. (a) This Act applies only to ad valorem taxes  
21 imposed for a tax year beginning on or after the effective date of  
22 this Act and the rendition of property for ad valorem tax purposes  
23 for a tax year that begins on or after that date.

24 (b) Section 22.31, Tax Code, as added by this Act,  
25 authorizes the addition to an appraisal roll of omitted property or  
26 the portion of the appraised value of undervalued property that was  
27 erroneously omitted only for a tax year beginning on or after the

1 effective date of this Act.

2 SECTION 3. This Act takes effect January 1, 2008.