

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 17, 2007

TO: Honorable Royce West, Chair, Senate Committee on Intergovernmental Relations

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: SB1063 by Williams (Relating to the authority of the governing body of a taxing unit to waive penalties and interest on a delinquent ad valorem tax.), **As Introduced**

No fiscal implication to the State is anticipated.

The bill would amend Section 33.011 of the Tax Code to allow the governing body of a taxing unit to waive penalties and interest on a delinquent property tax if a taxpayer submitted evidence to the governing body that (1) the taxpayer attempted to pay the tax before the delinquency date; (2) the taxpayer mailed the tax payment to an incorrect address that in a prior year was the correct address for payment; (3) the payment was mailed to the incorrect address within one year of the date that the former address ceased to be the correct address for payment; and (4) the taxpayer paid the tax no later than the 21st day after the date the taxpayer knew or should have known of the delinquency.

Because the state is constitutionally prohibited from imposing a state property tax, there would be no direct fiscal impact on the state.

The bill would take effect immediately upon enactment, assuming that it received the requisite two-thirds majority votes in both houses of the Legislature. Otherwise, it would take effect September 1, 2007.

Local Government Impact

Passage of the bill would allow a taxing unit governing body to waive penalties and interest on a delinquent property tax bill for circumstances not now provided under current law. Discretionary action by taxing units exercising the proposed waiver of penalties and interest would result in an undetermined revenue loss to those units.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, DB, SD, SJS