

BILL ANALYSIS

H.B. 986
By: Villarreal
Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Current law provides that a taxing unit shall send any refund to the "property owner." The term "property owner" has different meanings to different taxing units and has resulted in refunds being sent to a variety of locations, leading to great confusion. Taxing units have sent refunds variously to the owner as of January 1, an owner purchasing after January 1, a lessee, the mortgage company, the tax agent, and the attorney of record.

H.B. 986 provides explicit guidelines to a taxing unit for refunding taxes after the resolution of a property tax lawsuit, by allowing a property owner to direct where the refund should go. The bill provides that upon written request, a taxing unit shall refund property taxes after the resolution of a lawsuit to the property owner, the attorney of record in the appeal, or another person, as designated in the written request.

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

H.B. 986 amends the Tax Code to require the comptroller of public accounts to prescribe the form necessary to allow a property owner to designate the person to whom a refund, following a property tax appeal to the courts, must be sent. The bill requires the comptroller to include on the form a space for the property owner to designate to whom and where the refund must be sent and provide options to mail the refund to the property owner, to the business office of the property owner's attorney of record in the appeal, or to any other individual and address designated by the property owner. The bill requires a taxing unit to send a refund to the property owner unless either the final judgment in an appeal designates to whom and where a refund is to be sent or the prescribed form is filed with a taxing unit before the 21st day after the final determination of an appeal and designates a person and address different from the property owner. The bill prohibits a taxing unit from sending a refund before the earlier of the 21st day after the final determination of an appeal or the date the property owner files the prescribed form. The bill establishes that a refund is not considered made until sent to the proper person. The bill establishes that a form that is filed with a taxing unit before the 21st day after the final determination of an appeal that requires a refund to be made remains in effect for all subsequent, required refunds until revoked in a written revocation filed with the taxing unit by the property owner.

EFFECTIVE DATE

On passage, or, if the act does not receive the necessary vote, the act takes effect September 1, 2009.