

## **BILL ANALYSIS**

H.B. 1205  
By: Button  
Ways & Means  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Currently, provisions of the Tax Code state that a refund of an erroneous or excessive property tax payment must be approved by the governing body of the local taxing unit if the refund exceeds \$2,500. The paperwork associated with refund claims, as part of the current process, takes the state auditor's office a week or more to review before forwarding to a county commissioners court. The paperwork must then negotiate another stage of the refund process before the refund is finally mailed to the taxpayer. This lengthy process can delay a taxpayer's receipt of a refund by up to five weeks. Increasing the amount of a refund that requires local approval will decrease the amount of required paperwork and therefore the delay a taxpayer experiences before receiving a refund.

H.B. 1205 raises from \$2,500 to \$5,000 the threshold amount a refund must exceed before the approval of the governing body of the county is required in a county with a population of two million or more.

### **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. 1205 amends property tax provisions of the Tax Code that set a threshold dollar amount that a prospective refund must exceed for the refund payment to require approval by the governing body of the taxing unit. The bill increases that threshold amount, in a case of a tax collector who collects taxes for one taxing unit, from \$2,500 to \$5,000 for a refund to be paid by a county with a population of two million or more, rather than 1.5 million or more, such that the threshold for a refund to be paid by a county with a population equal to or greater than 1.5 million but less than two million becomes \$500, the amount that applies to all other taxing units.

H.B. 1205 also increases the threshold amount above which a refund payment requires approval by the governing body of the taxing unit that employs a tax collector who collects for more than one taxing unit from \$2,500 to \$5,000 for a refund to be paid by a county with a population of two million or more.

### **EFFECTIVE DATE**

January 1, 2010.