

## **BILL ANALYSIS**

C.S.H.B. 4660  
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Ways & Means  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Currently, county tax offices collect vehicle inventory tax for all governments in the county. These taxes are paid in advance and deposited into an escrow account for annual distribution. According to the Tax Code, the county assessor and collector of taxes is permitted to retain interest earned in order to defray the cost of administration of the prepayment procedure established.

C.S.H.B. 4660 amends the Tax Code to require the county tax collector of a county with a population of more than 250,000 that borders the Gulf of Mexico and is adjacent to a county with a population of more than 3.3 million to use interest generated by the escrow account to supplement the money available to pay the costs of general operations in the office.

### **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**

C.S.H.B. 4660 adds a provision to the Tax Code relating to the property tax on vehicle inventory to require the collector of a county with a population of more than 250,000 that borders the Gulf of Mexico and is adjacent to a county with a population of more than 3.3 million to retain any interest generated by an escrow account maintained for each owner in the county depository to supplement the money available to pay the costs of the general operations of the collector's office. The bill establishes that the provision expires September 1, 2011.

### **EFFECTIVE DATE**

September 1, 2009.

### **COMPARISON OF ORIGINAL AND SUBSTITUTE**

C.S.H.B. 4660 differs from the original by being limited in applicability to a county with a population of more than 250,000 that borders the Gulf of Mexico and is adjacent to a county with a population of more than 3.3 million and by adding a September 1, 2011, expiration date for the provisions of the bill. The substitute differs from the original by retaining existing law, applicable to counties generally, such that interest is retained by the collector in counties to which the substitute's provisions do not apply for defraying the cost of administration of the prepayment procedure, whereas the original requires the interest to be retained by the collector of any county as supplemental funds to pay the costs of the general operations of the collector's office.