

1-1 By: Carona S.B. No. 798  
1-2 (In the Senate - Filed February 11, 2009; March 4, 2009,  
1-3 read first time and referred to Committee on Finance; May 4, 2009,  
1-4 reported favorably by the following vote: Yeas 12, Nays 0;  
1-5 May 4, 2009, sent to printer.)

1-6 A BILL TO BE ENTITLED  
1-7 AN ACT

1-8 relating to refunds of overpayments or erroneous payments of ad  
1-9 valorem taxes.

1-10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-11 SECTION 1. Section 31.11, Tax Code, is amended by amending  
1-12 Subsections (a) and (c) and adding Subsection (i) to read as  
1-13 follows:

1-14 (a) If a taxpayer applies to the tax collector of a taxing  
1-15 unit for a refund of an overpayment or erroneous payment of taxes,  
1-16 ~~and~~ the collector ~~auditor~~ for the unit determines that the  
1-17 payment was erroneous or excessive, and the auditor for the unit  
1-18 agrees with the collector's determination, the ~~tax~~ collector  
1-19 shall refund the amount of the excessive or erroneous payment from  
1-20 available current tax collections or from funds appropriated by the  
1-21 unit for making refunds. However, the collector may not make the  
1-22 refund unless:

1-23 (1) in the case of a collector who collects taxes for  
1-24 one taxing unit, the governing body of the taxing unit also  
1-25 determines that the payment was erroneous or excessive and approves  
1-26 the refund if the amount of the refund exceeds:

1-27 (A) \$2,500 for a refund to be paid by a county  
1-28 with a population of 1.5 million or more; or

1-29 (B) \$500 for a refund to be paid by any other  
1-30 taxing unit; or

1-31 (2) in the case of a collector who collects taxes for  
1-32 more than one taxing unit, the governing body of the taxing unit  
1-33 that employs the collector also determines that the payment was  
1-34 erroneous or excessive and approves the refund if the amount of the  
1-35 refund exceeds \$2,500.

1-36 (c) Except as provided by Subsection (c-1), an application  
1-37 for a refund must be made within three years after the date of the  
1-38 payment or the taxpayer waives the right to the refund. A taxpayer  
1-39 may apply for a refund by filing:

1-40 (1) an application on a form prescribed by the  
1-41 comptroller by rule; or

1-42 (2) a written request that includes information  
1-43 sufficient to enable the collector and the auditor for the taxing  
1-44 unit and, if applicable, the governing body of the taxing unit to  
1-45 determine whether the taxpayer is entitled to the refund.

1-46 (i) Notwithstanding the other provisions of this section,  
1-47 in the case of an overpayment or erroneous payment of taxes  
1-48 submitted by a taxpayer to a collector who collects taxes for one or  
1-49 more taxing units one of which is a county with a population of two  
1-50 million or more:

1-51 (1) a taxpayer is not required to apply to the  
1-52 collector for the refund to be entitled to receive the refund if the  
1-53 amount of the refund is at least \$5 but does not exceed \$5,000; and

1-54 (2) the collector is not required to comply with  
1-55 Subsection (g) unless the amount of the payment exceeds by more than  
1-56 \$5,000 the amount of taxes owed for a tax year to a taxing unit for  
1-57 which the collector collects taxes.

1-58 SECTION 2. Subsection (c), Section 11.438, Tax Code, is  
1-59 amended to read as follows:

1-60 (c) If a late application is approved after approval of the  
1-61 appraisal records for a year for which the exemption is granted, the  
1-62 chief appraiser shall notify the collector for each taxing unit in  
1-63 which the property was taxable in that year. The collector shall  
1-64 deduct from the organization's tax bill the amount of tax imposed on

2-1 the property for that year and any penalties and interest relating  
2-2 to that tax if the tax and related penalties and interest have not  
2-3 been paid. If the tax and related penalties and interest on the  
2-4 property for a tax year for which an exemption is granted under this  
2-5 section were paid under protest, the organization is eligible [~~may~~  
2-6 ~~apply~~] for a refund of the tax, penalties, and interest paid as  
2-7 provided by Section 31.11. The deadline prescribed by Section  
2-8 31.11(c) for applying for a refund does not apply to a refund under  
2-9 this section.

2-10 SECTION 3. This Act applies only to ad valorem taxes imposed  
2-11 for a tax year that begins on or after the effective date of this  
2-12 Act.

2-13 SECTION 4. This Act takes effect January 1, 2010.

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