

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

March 23, 2009

TO: Honorable Rene Oliveira, Chair, House Committee on Ways & Means

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

IN RE: HB1257 by Legler (Relating to the payment in installments of ad valorem taxes on certain property owned by a business entity and located in a disaster area.), **As Introduced**

No fiscal implication to the State is anticipated.

The bill would amend Chapter 31 of the Tax Code, regarding the collection of property taxes.

The bill would expand an installment payment option for ad valorem taxes. Under current law, the option is available for residence homesteads and residential housing with less than five units that were damaged as the result of a disaster. The bill would extend the option to certain property damaged by a disaster and owned or leased by a business entity with \$5 million or less in annual gross receipts. The expanded installment payment option would cover real and tangible personal property.

Passage of the bill would expand the installment payment option but would still require that taxes be paid in the year following the tax year in which they are imposed. The bill would affect the timing but not the amount of taxes collected in a given year on certain property damaged by a disaster. Because the state is constitutionally prohibited from imposing a state property tax, there would be no 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, 2009.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, MN, SD, SJS