

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION**

**April 29, 2009**

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

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

**IN RE: HB4039** by Villarreal (Relating to the protest of a rendition penalty.), **As Introduced**

**No fiscal implication to the State is anticipated.**

This bill would amend Chapter 22 of the Tax Code, regarding renditions for property taxation, by requiring a chief appraiser to provide written notice by certified mail to a property owner of the imposition of a penalty for failing to timely file a required rendition statement or property report.

The bill would also change the trigger for the requirement that a chief appraiser certify a penalty to each taxing unit, from when the penalty is imposed to when the penalty becomes final, and would make conforming changes related to the penalty. The bill would also delete a provision requiring a collector to remit to a chief appraiser 5 percent of the penalty for failing to timely file a rendition and would repeal a subsection allowing a chief appraiser to retain a portion of a penalty for a fraudulent rendition to cover collections costs.

The bill would give the appraisal review board the authority to waive the penalty for failing to timely file the rendition. The bill would provide appraisal review board hearing procedures for a protest regarding the waiver of a penalty and allow the denial of a protest to be appealed to district court.

The bill would change administrative procedures regarding penalty notices and hearings, and would end the practice of allowing appraisal districts to retain a portion of penalties, but would not affect taxable values or tax rates.

The Comptroller indicates that taxing units are required to fund the appraisal district budget under current law, so the fact that taxing units would receive the portions of the penalties, that under current law go to appraisal districts to cover the costs of administering the penalties, would not affect taxing unit revenues.

The bill would take effect immediately upon enactment if it receives the required two-thirds vote. Otherwise, it would take effect September 1, 2009.

**Local Government Impact**

To the extent that the amendments made by the bill to Chapter 22, Tax code would affect units of local government, the fiscal implications cannot be estimated.

**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** JOB, MN, SD, DB