

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: HB4692 by Olivo (Relating to the deferred collection of taxes on residence homestead of elderly or disabled person.), **As Introduced**

Passage of the bill would prohibit taxing units from accepting tax payments on property on which the owner had elected to defer the payment. As a result, the related ad valorem tax collections could be reduced and the related costs to the Foundation School Fund could be increased through the operation of the school finance formulas.

The bill would amend Chapter 33 of the Tax Code, regarding property tax delinquencies.

The bill would add new Subsection 33.06(g) to require taxing units to return to mortgage companies or third parties tax payments they made for property on which the owner had elected to defer taxes under this section.

Under current practice, some mortgage companies have paid property taxes that over-64 or disabled homestead owners have elected to defer under Section 33.06. Some of the companies following this practice have then sought reimbursement from the property owner. This bill would prohibit the taxing units from accepting tax payments on property on which the owner had elected to defer the payment. Since information is not available about the number of property owners electing deferral on properties subject to mortgages or the policies of all of the affected mortgage holders concerning deferred taxes, the fiscal impact cannot be estimated.

The bill would take effect September 1, 2009.

Local Government Impact

The fiscal impact on units of local government cannot be estimated because information is not available about the number of property owners electing deferral on properties subject to mortgages or the policies of all of the affected mortgage holders concerning deferred taxes.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, MN, SD, SJS