

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 22, 2009

TO: Honorable Steve Ogden, Chair, Senate Committee on Finance

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

IN RE: SB797 by Carona (Relating to the circumstances in which the approval of the governing body of a taxing unit is required for refunds of overpayments or erroneous payments of ad valorem taxes.), **As Introduced**

No fiscal implication to the State is anticipated.

The bill would amend Chapter 31.11(a) of the Tax Code, relating to the approval process for refunds of overpayments or erroneous payments of ad valorem taxes.

In situations where the tax collector collects for one taxing unit, the bill would change the limits for taxing unit approval of refunds of overpayments or erroneous payments of ad valorem taxes. Taxing unit approval would be required for amounts in excess of \$5,000 to be paid by a county as opposed to \$2,500 under current law. This provision would apply to a county with a population of two million, instead of the 1.5 million in current law.

According to county population estimates from the U.S. Bureau of the Census, as of July 1, 2007, Harris and Dallas counties would be affected by this bill. The bill's change in the county population threshold would exclude Tarrant and Bexar counties.

The bill would change the limits above which the governing body of a taxing unit is required to approve property tax refunds but would not change the amount of the refunds. There would be no cost to the state or local taxing units.

The bill would be effective January 1, 2010, and would apply only to ad valorem taxes imposed for a tax year that begins on or after the effective date.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, MN, SD, SJS