

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

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

**April 8, 2009**

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

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

**IN RE: SB1359** by Seliger (Relating to forfeiture of remedy for nonpayment of ad valorem taxes.),  
**As Introduced**

<p><b>No significant fiscal implication to the State is anticipated.</b></p>
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The bill would amend Chapter 42 of the Tax Code, regarding judicial review of property appraisals.

The bill would modify the requirements for paying the uncontested amount of property taxes as a condition for appeal. Current law provides that a taxpayer may attempt to avoid the payment of the uncontested amount by filing an oath of inability to pay. The court is required to hold a hearing on the issue and determine if the payment would impose an unreasonable restraint on the party's access to the courts.

The bill would require the taxpayer to give at least 45 days notice of the hearing on inability to pay. The notice would be required to be sent to the collector for each taxing unit imposing taxes on the property. The bill would also give taxing units the right to intervene in an appeal for the limited purpose of determining if the protesting taxpayer had complied with the provisions for paying the uncontested amount of property taxes as a condition for appeal.

The bill would increase the rights of taxing units responding to appeals in a limited number of cases in which the taxpayer sought to avoid the payment of the uncontested amount of the tax.

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