

BILL ANALYSIS

Senate Research Center
82R16155 CJC-D

H.B. 533
By: Villarreal (Hinojosa)
Finance
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

H.B. 533 amends current law relating to the rendition of property for ad valorem tax purposes and to the protest of a penalty imposed for a failure to timely file a rendition statement or property report.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 22.01, Tax Code, by adding Subsection (m) to provide that, notwithstanding Subsections (a) and (b), a person is not required to render for taxation personal property appraised under Section 23.24 (Furniture, Fixtures, and Equipment).

SECTION 2. Amends Sections 22.28 and 22.30, Tax Code, as follows:

Sec. 22.28. New heading: PENALTY FOR DELINQUENT REPORT; PENALTY COLLECTION PROCEDURES. (a) Requires the chief appraiser to deliver by first class mail a notice of the imposition of the penalty to the person. Authorizes the notice to be delivered with a notice of appraised value provided under Section 25.19 (Notice of Appraised Value), if practicable.

(b) Requires the chief appraiser to certify to the assessor for each taxing unit participating in the appraisal district that imposes taxes on the property that a penalty imposed under this chapter has become final, rather than that the chief appraiser has imposed a penalty under this section.

(c) Provides that a penalty under this chapter becomes final if:

(1) the property owner does not protest under Section 22.30 the imposition of the penalty before the appraisal review board;

(2) the appraisal review board determines a protest brought by the property owner under Section 22.30 by denying a waiver of the penalty and the property owner does not bring an appeal under Chapter 42 (Judicial Review) or the judgment of the district court sustaining the determination subsequently becomes final; or

(3) a court imposes the penalty under Section 22.29 (Penalty for Fraud or Intent to Evade Tax) and the order of the court imposing the penalty subsequently becomes final.

(d) Redesignates existing Subsection (c) as Subsection (d). Makes no further changes.

Sec. 22.30. WAIVER OF PENALTY. (a) Authorizes the chief appraiser to waive the penalty imposed by Section 22.28, rather than by Section 22.28 or 22.29, if the chief appraiser determines that the person exercised reasonable diligence to comply with or has substantially complied with the requirements of this chapter. Requires that a written request, accompanied by supporting documentation, stating the grounds on which penalties should be waived be sent to the chief appraiser before June 1 or not later than the 30th day after the date the person received notification of the imposition of the penalty, whichever is later. Requires the chief appraiser to make a determination of the penalty waiver request:

(1) based on the information submitted; and

(2) after consideration of the factors described by Subsection (b).

(a-1) Requires the chief appraiser, if the chief appraiser denies the penalty waiver request, to deliver by first class mail written notice of the denial to the property owner. Authorizes the property owner to protest the imposition of the penalty before the appraisal review board. Requires the property owner, to initiate a protest, to file written notice of the protest with the appraisal review board before June 1 or not later than the 30th day after the date the property owner receives the notice of denial, whichever is later.

(b) Requires the appraisal review board to determine the protest, rather than requiring the chief appraiser to notify the person of the chief appraiser's determination regarding the penalty waiver request, after considering certain information.

(c) Provides that the procedures for a protest before the appraisal review board under this section are governed by the procedures for a taxpayer protest under Subchapter C (Taxpayer Protest), Chapter 41 (Local Review). Entitles the property owner to appeal under Chapter 42 an order of the appraisal review board determining a protest brought under this section. Deletes existing text entitling a property owner to protest before the appraisal review board the failure or refusal of a chief appraiser to waive a penalty under Subsection (a).

(d) Authorizes the chief appraiser and a protesting property owner, notwithstanding any other provision of this section, to enter into a settlement agreement on the matter being protested, if both parties agree that there was a mistake.

SECTION 3. Makes application of this Act prospective.

SECTION 4. Effective date: upon passage or September 1, 2011.