

BILL ANALYSIS

S.B. 1341
By: Seliger
Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Section 42.08 (Forfeiture of Remedy for Nonpayment of Taxes), Tax Code, requires that a property owner who appeals a decision of an appraisal review board under Chapter 42 (Judicial Review), Tax Code, is required to pay each taxing unit that imposes taxes against the property, prior to the delinquency date, the undisputed amount of taxes due, or the amount of taxes due pursuant to the appraisal review board order. A property owner who fails to pay taxes prior to the delinquency date forfeits the right to appeal. Under Chapter 530 (S.B. 1359), Acts of the 81st Legislature, Regular Session, 2009, Section 42.08, Tax Code, was amended to allow a taxing unit to intervene in a property owner's appeal for the limited purpose of determining whether the property owner complied with the prepayment requirement.

Section 25.25 (Correction of Appraisal Roll), Tax Code, also authorizes appeals by property owners where the deadline for routine appeals under Chapter 42 has expired, but only for the purpose of correcting clerical errors or substantial errors in the appraisal of property for tax purposes. A property owner must also comply with the prepayment requirement under Section 42.08 in cases where an appeal is brought under Section 25.25. However, there is no corresponding provision under Section 25.25 providing for intervention by taxing units as contained in Section 42.08.

This bill seeks to conform Section 25.25, Tax Code, with Section 42.08, by providing taxing units with authority to intervene in a Section 25.25 appeal for the limited purpose of assisting the court in determining whether the property owner has complied with the prepayment requirement.

By allowing the taxing units to intervene in the appeal, taxing units will be able to better protect their right to the timely receipt of revenues. The bill also prohibits a property owner or the chief appraiser from making a taxing unit an involuntary party to an appeal under Section 25.25. This too is a conforming measure in that the same prohibition applies to Chapter 42 appeals under current law.

As proposed, S.B. 1341 amends current law relating to the participation by a taxing unit in a suit to compel an appraisal review board to order a change in an appraisal roll.

RULEMAKING AUTHORITY

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

ANALYSIS

SECTION 1. Amends Section 25.25, Tax Code, by amending Subsection (g) and adding Subsections (g-1) and (g-2), as follows:

(g) Prohibits a taxing unit from being made a party to a suit filed by a property owner or chief appraiser under this subsection.

(g-1) Requires the movant, in a suit filed under Subsection (g) (relating to authorization to file a suit to compel the board to order a change in the appraisal roll), if a hearing to review and determine compliance with Section 42.08 (Forfeiture of Remedy for Nonpayment of Taxes) is requested, to mail notice of the hearing by certified mail, return receipt requested, to the collector for each taxing unit that imposes taxes on the property not later than the 45th day before the date of the hearing.

(g-2) Authorizes a taxing unit that imposes taxes on the property, regardless of whether the collector for the taxing unit receives a notice under Subsection (g-1), to intervene in a suit filed under Subsection (g) and participate in the proceedings for the limited purpose of determining whether the property owner has complied with Section 42.08. Entitles the taxing unit to process for witnesses and evidence and to be heard by the court.

SECTION 2. (a) Provides that, except as provided by Subsection (b) of this section:

(1) the change in law made by this Act applies only to a suit under Section 25.25(g), Tax Code, that is filed on or after the effective date of this Act; and

(2) a suit under Section 25.25(g), Tax Code, that was filed before the effective date of this Act is governed by the law in effect on the date the suit was filed, and the former law is continued in effect for that purpose.

(b) Provides that Section 25.25(g-2), Tax Code, as added by this Act, applies to a suit under Section 25.25(g), Tax Code, that is:

(1) filed on or after the effective date of this Act; or

(2) pending on the effective date of this Act.

SECTION 3. Effective date: upon passage or September 1, 2011.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2011.