

1-1 By: Villarreal (Senate Sponsor - Hinojosa) H.B. No. 533  
1-2 (In the Senate - Received from the House April 18, 2011;  
1-3 April 20, 2011, read first time and referred to Committee on  
1-4 Finance; May 12, 2011, reported favorably by the following vote:  
1-5 Yeas 11, Nays 0; May 12, 2011, sent to printer.)

1-6 A BILL TO BE ENTITLED  
1-7 AN ACT

1-8 relating to the rendition of property for ad valorem tax purposes  
1-9 and to the protest of a penalty imposed for a failure to timely file  
1-10 a rendition statement or property report.

1-11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-12 SECTION 1. Section 22.01, Tax Code, is amended by adding  
1-13 Subsection (m) to read as follows:

1-14 (m) Notwithstanding Subsections (a) and (b), a person is not  
1-15 required to render for taxation personal property appraised under  
1-16 Section 23.24.

1-17 SECTION 2. Sections 22.28 and 22.30, Tax Code, are amended  
1-18 to read as follows:

1-19 Sec. 22.28. PENALTY FOR DELINQUENT REPORT; PENALTY  
1-20 COLLECTION PROCEDURES. (a) Except as otherwise provided by  
1-21 Section 22.30, the chief appraiser shall impose a penalty on a  
1-22 person who fails to timely file a rendition statement or property  
1-23 report required by this chapter in an amount equal to 10 percent of  
1-24 the total amount of taxes imposed on the property for that year by  
1-25 taxing units participating in the appraisal district. The chief  
1-26 appraiser shall deliver by first class mail a notice of the  
1-27 imposition of the penalty to the person. The notice may be  
1-28 delivered with a notice of appraised value provided under Section  
1-29 25.19, if practicable.

1-30 (b) The chief appraiser shall certify to the assessor for  
1-31 each taxing unit participating in the appraisal district that  
1-32 imposes taxes on the property that a penalty imposed under this  
1-33 chapter has become final [~~the chief appraiser has imposed a penalty~~  
1-34 ~~under this section~~]. The assessor shall add the amount of the  
1-35 penalty to the original amount of tax imposed on the property and  
1-36 shall include that amount in the tax bill for that year. The  
1-37 penalty becomes part of the tax on the property and is secured by  
1-38 the tax lien that attaches to the property under Section 32.01.

1-39 (c) A penalty under this chapter becomes final if:

1-40 (1) the property owner does not protest under Section  
1-41 22.30 the imposition of the penalty before the appraisal review  
1-42 board;

1-43 (2) the appraisal review board determines a protest  
1-44 brought by the property owner under Section 22.30 by denying a  
1-45 waiver of the penalty and the property owner does not bring an  
1-46 appeal under Chapter 42 or the judgment of the district court  
1-47 sustaining the determination subsequently becomes final; or

1-48 (3) a court imposes the penalty under Section 22.29  
1-49 and the order of the court imposing the penalty subsequently  
1-50 becomes final.

1-51 (d) To help defray the costs of administering this chapter,  
1-52 a collector who collects a penalty imposed under Subsection (a)  
1-53 shall remit to the appraisal district that employs the chief  
1-54 appraiser who imposed the penalty an amount equal to five percent of  
1-55 the penalty amount collected.

1-56 Sec. 22.30. WAIVER OF PENALTY. (a) The chief appraiser  
1-57 may waive the penalty imposed by Section 22.28 [~~or 22.29~~] if the  
1-58 chief appraiser determines that the person exercised reasonable  
1-59 diligence to comply with or has substantially complied with the  
1-60 requirements of this chapter. A written request, accompanied by  
1-61 supporting documentation, stating the grounds on which penalties  
1-62 should be waived must be sent to the chief appraiser before June 1  
1-63 or not later than the 30th day after the date the person received  
1-64 notification of the imposition of the penalty, whichever is later.

2-1 The chief appraiser shall make a determination of the penalty  
 2-2 waiver request:

- 2-3 (1) based on the information submitted; and
- 2-4 (2) after consideration of the factors described by  
 2-5 Subsection (b).

2-6 (a-1) If the chief appraiser denies the penalty waiver  
 2-7 request, the chief appraiser shall deliver by first class mail  
 2-8 written notice of the denial to the property owner. The property  
 2-9 owner may protest the imposition of the penalty before the  
 2-10 appraisal review board. To initiate a protest, the property owner  
 2-11 must file written notice of the protest with the appraisal review  
 2-12 board before June 1 or not later than the 30th day after the date the  
 2-13 property owner receives the notice of denial, whichever is later.

2-14 (b) The appraisal review board [chief appraiser] shall  
 2-15 determine the protest [notify the person of the chief appraiser's  
 2-16 determination regarding the penalty waiver request] after  
 2-17 considering:

2-18 (1) the person's compliance history with respect to  
 2-19 paying taxes and filing statements or reports;

2-20 (2) the type, nature, and taxability of the specific  
 2-21 property involved;

2-22 (3) the type, nature, size, and sophistication of the  
 2-23 person's business or other entity for which property is rendered;

2-24 (4) the completeness of the person's records;

2-25 (5) the person's reliance on advice provided by the  
 2-26 appraisal district that may have contributed to the person's  
 2-27 failure to comply and the imposition of the penalty;

2-28 (6) any change in appraisal district policy during the  
 2-29 current or preceding tax year that may affect how property is  
 2-30 rendered; and

2-31 (7) any other factors that may have caused the person  
 2-32 to fail to timely file a statement or report.

2-33 (c) The procedures for a [A property owner is entitled to]  
 2-34 protest before the appraisal review board under this section are  
 2-35 governed by the procedures for a taxpayer protest under Subchapter  
 2-36 C, Chapter 41. The property owner is entitled to appeal under  
 2-37 Chapter 42 an order of the appraisal review board determining a  
 2-38 protest brought under this section [the failure or refusal of a  
 2-39 chief appraiser to waive a penalty under Subsection (a)].

2-40 (d) Notwithstanding any other provision of this section,  
 2-41 the chief appraiser and a protesting property owner may enter into a  
 2-42 settlement agreement on the matter being protested, if both parties  
 2-43 agree that there was a mistake.

2-44 SECTION 3. The change in law made by this Act applies only  
 2-45 to a penalty that is imposed under Section 22.28, Tax Code, on or  
 2-46 after the effective date of this Act. A penalty that was imposed  
 2-47 under that section before the effective date of this Act is governed  
 2-48 by the law in effect on the date the penalty was imposed, and the  
 2-49 former law is continued in effect for that purpose.

2-50 SECTION 4. This Act takes effect immediately if it receives  
 2-51 a vote of two-thirds of all the members elected to each house, as  
 2-52 provided by Section 39, Article III, Texas Constitution. If this  
 2-53 Act does not receive the vote necessary for immediate effect, this  
 2-54 Act takes effect September 1, 2011.

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