

1-1 By: Gonzalez, et al. (Senate Sponsor - Seliger) H.B. No. 1090
1-2 (In the Senate - Received from the House May 6, 2011;
1-3 May 9, 2011, read first time and referred to Committee on
1-4 Intergovernmental Relations; May 19, 2011, reported favorably by
1-5 the following vote: Yeas 5, Nays 0; May 19, 2011, sent to
1-6 printer.)

1-7 A BILL TO BE ENTITLED
1-8 AN ACT

1-9 relating to the calculation of interest on certain ad valorem tax
1-10 refunds.

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

1-12 SECTION 1. Section 42.43(b), Tax Code, is amended to read as
1-13 follows:

1-14 (b) For a refund made under this section [~~because an~~
1-15 ~~exemption under Section 11.20 that was denied by the chief~~
1-16 ~~appraiser or appraisal review board is granted~~], the taxing unit
1-17 shall include with the refund interest on the amount refunded
1-18 calculated at an annual rate that is equal to the sum of two percent
1-19 and the most recent prime rate quoted and [~~auction average rate~~
1-20 ~~quoted on a bank discount basis for three-month treasury bills~~
1-21 ~~issued by the United States government, as~~] published by the
1-22 Federal Reserve Board as of the first day of the month in which the
1-23 refund is made [~~, for the week in which the taxes became~~
1-24 ~~delinquent~~], but not more than a total of eight [~~10~~] percent,
1-25 calculated from the delinquency date for the taxes until the date
1-26 the refund is made. [~~For any other refund made under this section,~~
1-27 ~~the taxing unit shall include with the refund interest on the amount~~
1-28 ~~refunded at an annual rate of eight percent, calculated from the~~
1-29 ~~delinquency date for the taxes until the date the refund is made.~~]

1-30 SECTION 2. The change in law made by this Act applies only
1-31 to the rate of interest on a tax refund that is made following an
1-32 appeal that is finally determined on or after the effective date of
1-33 this Act. The rate of interest on a tax refund that is made
1-34 following an appeal that is finally determined before the effective
1-35 date of this Act is determined by the law in effect when the appeal
1-36 is finally determined, and that law is continued in effect for that
1-37 purpose.

1-38 SECTION 3. This Act takes effect September 1, 2011.

1-39 * * * * *