

1-1 By: Seliger S.B. No. 641  
1-2 (In the Senate - Filed February 14, 2011; February 23, 2011,  
1-3 read first time and referred to Committee on Intergovernmental  
1-4 Relations; April 18, 2011, reported adversely, with favorable  
1-5 Committee Substitute by the following vote: Yeas 5, Nays 0;  
1-6 April 18, 2011, sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 641 By: Nichols

1-8 A BILL TO BE ENTITLED  
1-9 AN ACT

1-10 relating to the calculation of interest on certain ad valorem tax  
1-11 refunds.

1-12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-13 SECTION 1. Subsection (b), Section 42.43, Tax Code, is  
1-14 amended to read as follows:

1-15 (b) For a refund made under this section [~~because an~~  
1-16 ~~exemption under Section 11.20 that was denied by the chief~~  
1-17 ~~appraiser or appraisal review board is granted~~], the taxing unit  
1-18 shall include with the refund interest on the amount refunded  
1-19 calculated at an annual rate that is equal to the sum of two percent  
1-20 and the most recent prime rate quoted and [~~auction average rate~~  
1-21 ~~quoted on a bank discount basis for three-month treasury bills~~  
1-22 ~~issued by the United States government, as~~] published by the  
1-23 Federal Reserve Board[, ~~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.

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