

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

March 10, 2011

TO: Honorable Harvey Hilderbran, Chair, House Committee on Ways & Means

FROM: John S O'Brien, Director, Legislative Budget Board

IN RE: HB533 by Villarreal (relating to the protest of a rendition penalty.), **As Introduced**

No fiscal implication to the State is anticipated.

The bill would amend Chapter 22 of the Tax Code, regarding property taxation and renditions, to require a chief appraiser to send a written notice by certified mail to the property owner when a penalty is imposed for failure to timely file a rendition statement or property report required by law; and to certify to the assessor for each taxing unit when a penalty imposed under this chapter has become final. The bill would specify that a penalty becomes final if not timely protested or if ordered by an appraisal review board or a court.

The bill would repeal the provision which currently allows an appraisal district to retain 20 percent of a fraud penalty and requires the appraisal district to distribute the balance to the participating taxing units on the basis of each taxing unit's proportionate share of the total amount of taxes imposed on the property by the taxing units.

The bill would replace the chief appraiser with the appraisal review board as the entity that could waive a penalty for a delinquent report after considering mitigating circumstances specified in a timely-filed protest; remove the authorization to waive the penalty for fraud or intent to evade a tax under Section 22.29; require that an appraisal district send a notice of imposition of a penalty by certified mail; and specify that appraisal review board hearing procedures be governed by Chapter 41 of the Tax Code and that procedures to be used in appealing an appraisal review board decision to district court would be governed by Chapter 42 of the Tax Code.

Because the bill is procedural in nature and does not affect property values, tax rates, or the amount of penalties paid to taxing units, there would be no cost to local taxing units or the state.

The bill would take effect immediately upon enactment, assuming that it received the requisite two-thirds majority votes in both houses of the Legislature. Otherwise, it would take effect September 1, 2011.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, KK, SD, SJS