

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

March 31, 2011

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

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

IN RE: HB803 by Bonnen (Relating to the penalty for failure to make a timely installment payment of ad valorem taxes on property in a disaster area.), **As Introduced**

No fiscal implication to the State is anticipated.

The bill would amend Chapter 31 of the Tax Code, regarding property taxation and collections, to reduce the penalty on delinquent property tax installment payments for property located in a disaster area from 12 percent to 6 percent.

The bill's proposed penalty reduction would create a cost to local governments when disasters occur. Neither future disasters nor the number of delinquent installment taxpayers in those disaster areas can be predicted. Consequently the fiscal impact of the bill cannot be estimated. There would be no fiscal impact on the state because delinquent tax penalties are outside of the school funding formula.

The bill would take effect September 1, 2011.

Local Government Impact

The bill's proposed penalty reduction would create a cost to local governments when disasters occur. Neither future disasters nor the number of delinquent installment taxpayers in those disaster areas can be predicted. Consequently the fiscal impact of the bill cannot be estimated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, KK, SD, SJS