

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

March 11, 2011

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

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

IN RE: HB930 by Darby (Relating to the requirements for an application for a tax warrant authorizing the seizure of personal property for the payment of ad valorem taxes.), **As Introduced**

No fiscal implication to the State is anticipated.

The bill would amend Section 33.22(c) of the Tax Code, regarding property taxation and delinquency, to require a court to issue a tax warrant for seizure of personal property to satisfy a delinquent tax if the tax warrant applicant shows by affidavit that (in addition to other conditions in current law) the property is about to be sold at a liquidation sale in connection with the cessation of a business. The bill would harmonize this section with Section 33.21(b) of the Tax Code regarding property subject to seizure.

The bill would clarify existing law regarding the issuance of tax warrants for seizure of personal property to satisfy a delinquent tax in certain instances and may increase delinquent tax revenue to local taxing units in those instances. According to the Comptroller of Public Accounts, no information is available about the amount of tax revenue from future personal property seizures when property is about to be sold at a liquidation sale in connection with the cessation of a business. As a result, the fiscal impact to local taxing units cannot be estimated.

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

Passage of the bill would clarify existing law regarding the issuance of tax warrants for seizure of personal property to satisfy a delinquent tax in certain instances. As a result, collections of delinquent tax revenue for units of local government may be increased.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, KK, SD, SJS