

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

May 17, 2011

TO: Honorable Royce West, Chair, Senate Committee on Intergovernmental Relations

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

IN RE: HB2220 by Davis, Yvonne (Relating to the requirement to prepay ad valorem taxes as a prerequisite to determining certain motions or protests and the authority of an appraisal review board to determine compliance with the requirement.), **As Engrossed**

The bill would specify procedures related to payment of taxes and delinquency dates related to motions and protests before an appraisal review board that might bring in more property tax revenue in some situations, creating a savings to the State through the operation of the school funding formula.

The bill would amend the Tax Code, with regard to property taxation, to require that a property owner who files a motion under Section 25.25 or files a protest under Section 41.411 must pay the amount of taxes due on the portion of the taxable value of the property that is the subject of the motion or protest and that is not in dispute unless excused from this requirement by the appraisal review board based on an oath of inability to pay. The appraisal review board may dismiss motions or protests based on unexcused non-payment of the proper tax amounts.

The property owner or chief appraiser may file suit to compel the appraisal review board to order a change in the appraisal roll if the appraisal review board determines that the property owner has forfeited the right to a final determination of a motion for failing to prepay property taxes as required by law. A property owner would be entitled to appeal a determination that the property owner has forfeited the right to a final determination of a motion for failing to prepay property taxes as required by law.

The bill also would provide that delinquency dates for property taxes are unaffected by pending motions or protests filed under Section 25.25 or Section 41.411, respectively. The delinquency date would apply, however, only to the amount of taxes that are not in dispute.

The bill would specify procedures related to payment of taxes and delinquency dates related to motions and protests before an appraisal review board that might bring in more property tax revenue in some situations, creating a gain to local taxing units and the state. The number of future protests in which the proper amount of taxes would be paid under the bill that otherwise would not have been paid is unknown. Consequently, the fiscal impact on units of local government and the state 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

The bill would specify procedures related to payment of taxes and delinquency dates related to motions and protests before an appraisal review board that might bring in more property tax revenue in some situations, creating a gain to local taxing units.

Source Agencies: 304 Comptroller of Public Accounts

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