

# SENATE AMENDMENTS

2<sup>nd</sup> Printing

By: Aycock

H.B. No. 2169

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the authority of the governing body of a taxing unit to  
3 rescind a discount for early payment of ad valorem taxes.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Section 31.05, Tax Code, is amended by adding  
6 Subsection (d) to read as follows:

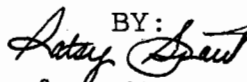
7 (d) The governing body of a taxing unit may rescind a  
8 discount adopted by the governing body in the manner required by law  
9 for official action by the body. The rescission of a discount takes  
10 effect beginning in the year in which the discount is rescinded,  
11 except that the rescission takes effect beginning in the following  
12 year if the discount is rescinded after September 1.

13 SECTION 2. This Act takes effect immediately if it receives  
14 a vote of two-thirds of all the members elected to each house, as  
15 provided by Section 39, Article III, Texas Constitution. If this  
16 Act does not receive the vote necessary for immediate effect, this  
17 Act takes effect September 1, 2011.

# ADOPTED

FLOOR AMENDMENT NO. 1

MAY 23 2011

BY:   
Secretary of the Senate



Amend H.B. No. 2169 (house committee printing) as follows:

(1) On page 1, line 10, strike "beginning in" and substitute "in the tax year following".

(2) On page 1, lines 10-12, strike ", except that the rescission takes effect beginning in the following year if the discount is rescinded after September 1".

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION**

**May 24, 2011**

**TO:** Honorable Joe Straus, Speaker of the House, House of Representatives

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

**IN RE: HB2169** by Aycock (Relating to the authority of the governing body of a taxing unit to rescind a discount for early payment of ad valorem taxes.), **As Passed 2nd House**

**No fiscal implication to the State is anticipated.**

The bill would amend Section 31.05 of the Tax Code, regarding property taxation, to authorize the governing body of a taxing unit to rescind a discount for paying property taxes by specified dates if the governing body had previously adopted the discount by official action. Under current law, a local taxing unit can adopt discounts that range from one percent to three percent, depending on when the property tax bill is paid. The rescission of a discount would take effect in the tax year following the year in which the discount is rescinded.

The bill would make changes to the discounting of property taxes by one to three percent, depending on when the property taxes are paid. While rescinding a discount would be a gain to units of local governments that adopt the recession, it cannot be determined how many of units of local governments would rescind the discount, and therefore the fiscal gain to units of local government cannot be estimated. Property tax discounts do not affect the school funding formula and consequently there would be no fiscal impact to 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**

Rescinding a property tax discount would result in a gain to units of local governments that adopt the recession.

**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** JOB, KK, SD, SJS

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION**

**May 16, 2011**

**TO:** Honorable Steve Ogden, Chair, Senate Committee on Finance

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

**IN RE: HB2169** by Aycock (Relating to the authority of the governing body of a taxing unit to rescind a discount for early payment of ad valorem taxes.), **As Engrossed**

**No fiscal implication to the State is anticipated.**

The bill would amend Section 31.05 of the Tax Code, regarding property taxation, to authorize the governing body of a taxing unit to rescind a discount for paying property taxes by specified dates if the governing body had previously adopted the discount by official action. Under current law, a local taxing unit can adopt discounts that range from one percent to three percent, depending on when the property tax bill is paid. The rescission of a discount would take effect beginning in the year in which the discount is rescinded, except that the rescission would take effect beginning in the following year if the discount is rescinded after September 1.

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**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** JOB, KK, SD, SJS

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION**

**April 15, 2011**

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

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

**IN RE: HB2169** by Aycock (Relating to the authority of the governing body of a taxing unit to rescind a discount for early payment of ad valorem taxes.), **As Introduced**

**No fiscal implication to the State is anticipated.**

The bill would amend Section 31.05 of the Tax Code, regarding property taxation, to authorize the governing body of a taxing unit to rescind a discount for paying property taxes by specified dates if the governing body had previously adopted the discount by official action. Under current law, a local taxing unit can adopt discounts that range from one percent to three percent, depending on when the property tax bill is paid. The rescission of a discount would take effect beginning in the year in which the discount is rescinded, except that the rescission would take effect beginning in the following year if the discount is rescinded after September 1.

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**Local Government Impact**

Rescinding a property tax discount would result in a gain to units of local governments that adopt the recession.

**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** JOB, KK, SD, SJS

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**TAX/FEE EQUITY NOTE**

**82ND LEGISLATIVE REGULAR SESSION**

**April 15, 2011**

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

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

**IN RE: HB2169** by Aycock (Relating to the authority of the governing body of a taxing unit to rescind a discount for early payment of ad valorem taxes.), **As Introduced**

No statistically significant impact on the overall distribution of a state tax or fee burden among individuals and businesses is anticipated from the provisions of this bill.

**Source Agencies:**

**LBB Staff:** JOB, KK