

BILL ANALYSIS

H.B. 2445
By: Strama
Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Current law provides that a tax lien attaches to all inventory, furniture, equipment, and other personal property that the property owner owns on January 1 of the year the lien attaches or that the property owner subsequently acquires. According to interested parties, both taxing units and courts have construed this provision to mean that a taxing entity's personal property tax lien reaches all of a taxpayer's personal property wherever it is located, whether inside or outside the taxing unit's jurisdiction. The parties further note that a recent federal court ruling, which stated that a county's tax lien securing property taxes on certain personal property only reaches property located within that county, has the potential to limit taxing authorities to asserting a tax lien only on personal property located within their respective jurisdictions. Given that personal property can be moved, this restrictive interpretation could facilitate an unscrupulous taxpayer's avoidance of such a tax lien's attachment to the taxpayer's personal property simply by moving that property, which would impede a taxing entity's ability to collect certain property taxes.

H.B. 2445 seeks to avoid this potential problem by clarifying that a tax lien reaches all personal property of a taxpayer, wherever it is located.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 2445 amends the Tax Code to clarify that the attachment of a tax lien in solido to all inventory, furniture, equipment, and other personal property that the property owner owns on January 1 of the year the lien attaches or that the property owner subsequently acquires is irrespective of whether the personal property is located within the boundaries of the taxing unit in whose favor the lien attaches.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2013.