

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

**FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION**

**April 30, 2013**

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

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE:** **HB2324** by Gonzalez, Naomi (relating to the calculation of penalty on a delinquent ad valorem tax.), **Committee Report 1st House, Substituted**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB2324, Committee Report 1st House, Substituted: an impact of \$0 through the biennium ending August 31, 2015.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

**General Revenue-Related Funds, Five-Year Impact:**

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2014	\$0
2015	\$0
2016	\$0
2017	\$0
2018	\$0

**All Funds, Five-Year Impact:**

Fiscal Year	Probable Revenue Gain/(Loss) from School Districts	Probable Revenue Gain/(Loss) from Counties	Probable Revenue Gain/(Loss) from Cities	Probable Revenue Gain/(Loss) from Other Special Districts
2014	\$0	\$0	\$0	\$0
2015	(\$25,495,000)	(\$7,773,000)	(\$8,613,000)	(\$5,682,000)
2016	(\$26,739,000)	(\$8,123,000)	(\$9,016,000)	(\$5,933,000)
2017	(\$28,111,000)	(\$8,510,000)	(\$9,461,000)	(\$6,210,000)
2018	(\$29,551,000)	(\$8,914,000)	(\$9,928,000)	(\$6,500,000)

**Fiscal Analysis**

The bill would amend Section 33.01 of the Tax Code, related to delinquent property tax penalties and interest, to change the penalty on delinquent property taxes from six percent to four percent and to change the maximum penalty from twelve percent to ten percent. (As provided in current law, the penalty increases by one percent per each month that the tax remains delinquent up to the

maximum.)

The bill would take effect on January 1, 2014.

### **Methodology**

The bill's reduction of the rate used to calculate a delinquent property tax penalty from six percent to four percent and reduction of the maximum penalty from twelve percent to ten percent would create a cost to local taxing units.

The estimate was based on historical information from appraisal districts. There would be no cost to the state because delinquent property tax penalties are not included in the school finance formula.

### **Local Government Impact**

The fiscal implication to units of local government is reflected in the tables above.

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

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