

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 12, 2013

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB2445 by Strama (Relating to ad valorem tax liens on personal property.), As
Introduced

The bill's provision for attachment of a personal property tax lien irrespective of whether the personal property is located within the boundaries of the taxing unit in whose favor the lien attaches could create a fiscal gain to the state through the operation of the school finance formulas by enabling taxing units to recover more delinquent property taxes through the sale of foreclosed personal property outside the taxing unit's boundaries.

The bill would amend Section 32.01 of the Tax Code, regarding property tax liens. Current law requires that a tax lien on personal property attach to all personal property that the property owner owns on January 1 of the tax year in which the lien attaches or that the property owner subsequently acquires. The bill would add that the lien would attach irrespective of whether the personal property is located within the boundaries of the taxing unit in whose favor the lien attaches.

The bill's provision for attachment of a personal property tax lien irrespective of whether the personal property is located within the boundaries of the taxing unit in whose favor the lien attaches could create a fiscal gain to local taxing units and to the state through the operation of the school finance formulas by enabling taxing units to recover more delinquent property taxes through the sale of foreclosed personal property outside the taxing unit's boundaries. No information is available regarding the amount of delinquent property tax recovery that would be provided under the bill. Consequently the fiscal gain cannot be estimated.

This 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, 2013.

Local Government Impact

The bill's provision for attachment of a personal property tax lien irrespective of whether the personal property is located within the boundaries of the taxing unit in whose favor the lien attaches could create a fiscal gain to local taxing units by enabling taxing units to recover more delinquent property taxes through the sale of foreclosed personal property outside the taxing unit's boundaries.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: UP, KK, SD, SJS