

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

May 1, 2013

TO: Honorable José Menéndez, Chair, House Committee on Defense & Veterans' Affairs

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB2990 by Canales (Relating to collection costs that may be imposed in connection with certain delinquent ad valorem taxes owed by disabled veterans.), **Committee Report 1st House, Substituted**

No fiscal implication to the State is anticipated.

This bill would amend Sections 33.07 of the Tax Code, regarding additional penalties for collection costs, to establish limits on the amount of an additional delinquent tax collection penalty on a disabled veteran's residence homestead if the taxing unit has contracted with an attorney to represent the taxing unit. The additional penalty would be limited to 6 percent of the amount of the delinquent taxes if the taxes remain unpaid on July 1 of the year the delinquent taxes are due, 15 percent if unpaid on July 1 of the first year after the year in which the delinquent taxes are due, and 20 percent if unpaid on July 1 of the second year after the year in which the delinquent taxes are due. Under current law, the additional penalty is limited only to the amount of compensation specified in the attorney's delinquent tax collection contract.

The bill would make similar amendments to Sections 33.08 and 33.011 of the Tax Code regarding additional penalties for collection costs.

The bill would define "disabled veteran" and "residence homestead."

The bill would not affect taxable property values, tax rates, collection rates, or any other variable which might affect the revenues of units of local governments or the state.

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. The bill would apply only to an additional penalty on taxes that become delinquent on or after the bill's effective date.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: UP, KJo, SD, SJS