

BILL ANALYSIS

Senate Research Center
85R20010 SMT-F

H.B. 2253
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Finance
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

There are concerns that the calculation of interest on a property tax refund resulting from the final determination of an appeal that decreases a property owner's liability could require local governments to pay exceedingly high amounts of interest, which could affect local government services and potentially require tax increases.

The purpose of H.B. 2253 is to mitigate the potential effect of a large interest refund by providing for judicial discretion regarding the refund amount to which the interest rate is applied. H.B. 2253 allows courts flexibility in determining the amount of interest taxing units must pay on property tax refunds.

H.B. 2253 amends current law relating to the calculation of interest on an ad valorem tax refund resulting from the final determination of an appeal that decreases a property owner's liability.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Sections 42.43(b) and (c), Tax Code, as follows:

(b) Requires that the taxing unit, for a refund made under this section (Refund), include with the refund interest on all or a portion of the amount refunded, calculated in certain ways. Requires the court that makes the final determination of the appeal, in its discretion, to determine the amount on which interest is to be calculated.

(c) Requires that the taxing unit, notwithstanding Subsection (b) and if a taxing unit does not make a refund, including interest, required by this section before a certain date, include with the refund interest on the amount determined by the court under Subsection (b), rather than include with the refund interest on the amount refunded, at an annual rate of 12 percent, calculated from the delinquency date for the taxes until the date the refund is made.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: upon passage or September 1, 2017.