

BILL ANALYSIS

Senate Research Center

S.B. 2242
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Finance
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

S.B. 2242 solves a local problem specific to San Patricio and Nueces Counties in South Texas. It seeks to eliminate the double taxation of property due to jurisdictional disputes of like taxing units.

Since 1973 the boundaries between these two counties and other local taxing units have been in dispute. Since 2010, certain properties along the boundary have been taxed by both counties, creating a double taxation.

S.B. 2242 will allow a property owner to appeal directly to the Texas Supreme Court to resolve the boundary question and eliminate the taxing of the same property twice to the same property owner.

S.B. 2242 is supported by both Nueces County and San Patricio County Judges.

As proposed, S.B. 2242 amends current law relating to the elimination of double taxation of property due to jurisdictional disputes of like taxing units.

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 Chapter 21, Tax Code, by adding Section 21.056, as follows:

Sec. 21.056. DOUBLE TAXATION PROHIBITED. (a) Provides that this section applies only to taxes imposed by Nueces and San Patricio Counties.

(b) Defines "like taxing units."

(c) Authorizes the property owner, if as a result of disputed, overlapping, or erroneously applied geographic boundaries of like taxing units taxes are imposed on a property by multiple like taxing units, to file suit with the Texas Supreme Court (supreme court) challenging the imposition.

(d) Provides that the supreme court has original jurisdiction to hear and decide a suit filed under Subsection (c) and authorizes the supreme court to issue injunctive or declaratory relief in connection with the suit.

(e) Requires the supreme court to rule on a suit filed under Subsection (c) not later than the 90th day after the date the suit is filed.

SECTION 2. Amends Chapter 31, Tax Code, by adding Section 31.112, as follows:

Sec. 31.112. REFUNDS OF DOUBLE TAXATION. (a) Defines "like taxing units."

(b) Provides that if as a result of a dispute or error described by Section 21.056(c) a property owner has made a tax payment under protest to multiple like taxing units and the dispute or error is subsequently resolved by written agreement between the like taxing units, the like taxing units are authorized to agree on a certain allocation of the taxes paid and are required to refund to the property owner the amount by which the sum paid to the like taxing units exceeds the amount due.

(c) Requires a refund under this section to be made as soon as practicable after the resolution of the dispute or error under Subsection (b). Requires the refund to be accompanied by a description sufficient to identify the property subject to the taxes. Requires the collector, if the property is assigned an account number, to include that number.

(d) Requires a collector to notify the auditor of each appropriate like taxing unit not later than 30 days after a refund is made under this section.

SECTION 3. Amends Sections 31.12(a) and (b), Tax Code, as follows:

(a) Provides that if a refund of a tax provided by Section 31.112, among certain other sections, is paid on or before the 60th day after the date the liability for the refund arises, no interest is due on the amount refunded.

(b) Provides that, for purposes of this section, liability for a refund arises if the refund is required by Section 31.112, on the date the dispute or error described by Section 21.056(c) is resolved by written agreement.

SECTION 4. Amends Section 42.41(a), Tax Code, to require the chief appraiser, not later than the 45th day after the date an appeal is finally determined or a dispute or error described by Section 21.056(c) is resolved, to certain corrections to the appraisal roll and other appropriate records and certify the change to the assessor for each affected taxing unit.

SECTION 5. Amends Subchapter E, Chapter 42, Education Code, by adding Section 42.2532, as follows:

Sec. 42.2532. ADJUSTMENT FOR CORRECTION OF DOUBLE TAXATION. Requires the commissioner of education to adjust the amounts due to a school district under this chapter (Foundation School Program) and Chapter 46 (Assistance With Instructional Facilities and Payment of Existing Debt) as necessary to account for a resolution under Section 21.056, Tax Code.

SECTION 6. Provides that changes in law made by this Act apply to ad valorem taxes imposed for a tax year beginning before, on, or after the effective date of this Act.

SECTION 7. Effective date: upon passage or September 1, 2017.