

By: Hinojosa

S.B. No. 1749

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to the calculation of interest on an ad valorem tax refund  
3 resulting from the final determination of an appeal that decreases  
4 a property owner's liability.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Sections 42.43(b) and (c), Tax Code, are amended  
7 to read as follows:

8 (b) For a refund made under this section, the taxing unit  
9 shall include with the refund interest on all or a portion of the  
10 amount refunded, calculated at an annual rate of 9.5 percent,  
11 calculated from the delinquency date for the taxes until the date  
12 the refund is made. The court that makes the final determination of  
13 the appeal shall, in its discretion, determine the amount on which  
14 interest is to be calculated, provided that the amount is:

15 (1) not greater than the amount refunded under  
16 Subsection (a); and

17 (2) not less than the difference between the minimum  
18 amount the taxpayer was required to pay to preserve the right to  
19 appeal under Section 42.08(b) and the amount of taxes for which the  
20 property owner is liable.

21 (c) Notwithstanding Subsection (b), if a taxing unit does  
22 not make a refund, including interest, required by this section  
23 before the 60th day after the date the chief appraiser certifies a  
24 correction to the appraisal roll under Section 42.41, the taxing

1 unit shall include with the refund interest on the amount  
2 determined by the court under Subsection (b) [refunded] at an  
3 annual rate of 12 percent, calculated from the delinquency date for  
4 the taxes until the date the refund is made. A refund is not  
5 considered made under this section until sent to the proper person  
6 as provided by this section.

7 SECTION 2. The change in law made by this Act applies only  
8 to a tax refund that is made following an appeal that is filed on or  
9 after the effective date of this Act. A tax refund that is made  
10 following an appeal that is filed before the effective date of this  
11 Act is determined by the law in effect when the appeal is filed, and  
12 that law is continued in effect for that purpose.

13 SECTION 3. This Act takes effect immediately if it receives  
14 a vote of two-thirds of all the members elected to each house, as  
15 provided by Section 39, Article III, Texas Constitution. If this  
16 Act does not receive the vote necessary for immediate effect, this  
17 Act takes effect September 1, 2017.