

By: Hinojosa

S.B. No. 2241

A BILL TO BE ENTITLED

AN ACT

relating to the elimination of double taxation of property due to jurisdictional disputes of like taxing units.

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

SECTION 1. Chapter 21, Tax Code, is amended by adding Section 21.056 to read as follows:

Sec. 21.056. DOUBLE TAXATION PROHIBITED. (a) This section applies only to Nueces and San Patricio Counties.

(b) In this section, "like taxing units" means taxing units of the same type, including counties, that by law may not include the same geographic territory.

(c) 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, the amount of tax due on the property for the tax year is equal to the average of the amounts of tax imposed on the property by each of the like taxing units. Taxes due under this subsection shall be paid to and deposited in an escrow account in the registry of the district court of Refugio County.

(d) On resolution of a dispute or error described by Subsection (c), as evidenced by a written agreement between the like taxing units or by final adjudication, the district court of Refugio County shall apply the amount in the escrow account to the taxes due to each like taxing unit in accordance with the agreement

1 or adjudication, as applicable. The court shall remit to the  
2 taxpayer any amount in the escrow account that exceeds the amount of  
3 taxes due to the like taxing units.

4 (e) If the amount in the escrow account is not sufficient to  
5 pay the taxes in full under Subsection (d), the assessor for a like  
6 taxing unit to which taxes are due shall prepare and mail a  
7 supplemental tax bill in the manner provided by Chapter 31 for tax  
8 bills generally.

9 (f) If an escrow account under this section applies to more  
10 than one item of property or if taxes are due to more than one like  
11 taxing unit, the court shall apply the amount to each item of  
12 property or like taxing unit in proportion to the amount of taxes  
13 due on the item or to the like taxing unit.

14 SECTION 2. Chapter 31, Tax Code, is amended by adding  
15 Section 31.112 to read as follows:

16 Sec. 31.112. REFUNDS OF DOUBLE TAXATION. (a) In this  
17 section, "like taxing units" has the meaning assigned by Section  
18 21.056.

19 (b) If as a result of a dispute or error described by Section  
20 21.056(c) a property owner has made a tax payment under protest to  
21 multiple like taxing units and the dispute or error is subsequently  
22 resolved by written agreement between the like taxing units or by  
23 final adjudication, the like taxing units:

24 (1) may agree on an allocation of all or a portion of  
25 the taxes that were paid under protest during the pendency of the  
26 dispute or error, less any amount refundable to the property owner  
27 under Subdivision (2); and

1           (2) shall refund to the property owner the amount by  
2 which the sum paid to the like taxing units exceeds the amount due,  
3 if any.

4           (c) A refund under this section shall be made as soon as  
5 practicable after the resolution of the dispute or error described  
6 by Subsection (b). The refund shall be accompanied by a description  
7 of the property subject to the taxes sufficient to identify the  
8 property. If the property is assigned an account number, the  
9 collector shall include that number.

10           (d) A collector shall notify the auditor of each appropriate  
11 like taxing unit not later than 30 days after a refund is made under  
12 this section.

13           SECTION 3. Sections 31.12(a) and (b), Tax Code, are amended  
14 to read as follows:

15           (a) If a refund of a tax provided by Section 11.431(b),  
16 26.07(g), 26.15(f), 31.11, ~~[or]~~ 31.111, or 31.112 is paid on or  
17 before the 60th day after the date the liability for the refund  
18 arises, no interest is due on the amount refunded. If not paid on or  
19 before that 60th day, the amount of the tax to be refunded accrues  
20 interest at a rate of one percent for each month or part of a month  
21 that the refund is unpaid, beginning with the date on which the  
22 liability for the refund arises.

23           (b) For purposes of this section, liability for a refund  
24 arises:

25           (1) if the refund is required by Section 11.431(b), on  
26 the date the chief appraiser notifies the collector for the unit of  
27 the approval of the late homestead exemption;

1           (2) if the refund is required by Section 26.07(g), on  
2 the date the results of the election to reduce the tax rate are  
3 certified;

4           (3) if the refund is required by Section 26.15(f):

5                 (A) for a correction to the tax roll made under  
6 Section 26.15(b), on the date the change in the tax roll is  
7 certified to the assessor for the taxing unit under Section 25.25;  
8 or

9                 (B) for a correction to the tax roll made under  
10 Section 26.15(c), on the date the change in the tax roll is ordered  
11 by the governing body of the taxing unit;

12           (4) if the refund is required by Section 31.11, on the  
13 date the auditor for the taxing unit determines that the payment was  
14 erroneous or excessive or, if the amount of the refund exceeds the  
15 applicable amount specified by Section 31.11(a), on the date the  
16 governing body of the unit approves the refund; ~~[or]~~

17           (5) if the refund is required by Section 31.111, on the  
18 date the collector for the taxing unit determines that the payment  
19 was erroneous; or

20           (6) if the refund is required by Section 31.112, on the  
21 date the dispute or error described by Section 21.056(c) is  
22 resolved by written agreement or final adjudication.

23           SECTION 4. Section 42.41(a), Tax Code, is amended to read as  
24 follows:

25           (a) Not later than the 45th day after the date an appeal is  
26 finally determined or a dispute or error under Section 21.056 is  
27 resolved, the chief appraiser shall:

1           (1) correct the appraisal roll and other appropriate  
2 records as necessary to reflect the final determination of the  
3 appeal; and

4           (2) certify the change to the assessor for each  
5 affected taxing unit.

6           SECTION 5. Subchapter E, Chapter 42, Education Code, is  
7 amended by adding Section 42.2532 to read as follows:

8           Sec. 42.2532. ADJUSTMENT FOR CORRECTION OF DOUBLE TAXATION.  
9 The commissioner shall adjust the amounts due to a school district  
10 under this chapter and Chapter 46 as necessary to account for a  
11 resolution under Section 21.056, Tax Code.

12          SECTION 6. Section 21.056, Tax Code, as added by this Act,  
13 applies only to ad valorem taxes imposed for a tax year beginning on  
14 or after January 1, 2018.

15          SECTION 7. This Act takes effect immediately if it receives  
16 a vote of two-thirds of all the members elected to each house, as  
17 provided by Section 39, Article III, Texas Constitution. If this  
18 Act does not receive the vote necessary for immediate effect, this  
19 Act takes effect September 1, 2017.