

A BILL TO BE ENTITLED

AN ACT

relating to the resolution of disputes or errors involving the ad valorem taxation of the same property by multiple taxing units of the same type as a result of disputed, overlapping, or erroneously applied boundaries.

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

SECTION 1. Chapter 72, Local Government Code, is amended by adding Section 72.010 to read as follows:

Sec. 72.010. SUIT TO ESTABLISH BOUNDARIES OF AND TAXES OWED TO CERTAIN COUNTIES OR TAXING UNITS LOCATED IN THOSE COUNTIES.

(a) In this section:

(1) "Like taxing units" means counties or other taxing units that are of the same type as one another and that by law may not include the same geographic territory.

(2) "Taxing unit" has the meaning assigned by Section 1.04, Tax Code.

(b) This section applies only to:

(1) Nueces and San Patricio Counties; and

(2) other taxing units with territory in one or more of those counties.

(c) If, as a result of disputed, overlapping, or erroneously applied geographic boundaries between like taxing units, multiple like taxing units have imposed ad valorem taxes on the same property, the property owner may file suit in the supreme court to:

1 (1) establish the correct geographic boundary between
2 the taxing units; and

3 (2) determine the amount of taxes owed on the property
4 and the taxing unit or units to which the taxes are owed.

5 (d) The supreme court has original jurisdiction to hear and
6 determine a suit filed under Subsection (c) and may issue
7 injunctive or declaratory relief in connection with the suit.

8 (e) The supreme court shall enter a final order determining
9 a suit filed under Subsection (c) not later than the 90th day after
10 the date the suit is filed.

11 SECTION 2. Section 25.25, Tax Code, is amended by adding
12 Subsection (p) to read as follows:

13 (p) Not later than the 45th day after the date a dispute or
14 error described by Section 72.010(c), Local Government Code, is
15 resolved by an agreement between the taxing units under Section
16 31.112(c) of this code or by a final order of the supreme court
17 entered under Section 72.010, Local Government Code, the chief
18 appraiser of each applicable appraisal district shall correct the
19 appraisal roll and other appropriate records as necessary to
20 reflect the agreement or order.

21 SECTION 3. Chapter 31, Tax Code, is amended by adding
22 Section 31.112 to read as follows:

23 Sec. 31.112. REFUNDS OF PAYMENTS MADE TO MULTIPLE LIKE
24 TAXING UNITS. (a) In this section, "like taxing units" has the
25 meaning assigned by Section 72.010(a), Local Government Code.

26 (b) This section applies only to taxing units described by
27 Section 72.010(b), Local Government Code.

1 (c) Like taxing units to which a property owner has made tax
2 payments under protest as a result of a dispute or error described
3 by Section 72.010(c), Local Government Code, may enter into an
4 agreement to resolve the dispute or error. An agreement under this
5 subsection:

6 (1) must establish the correct geographic boundary
7 between the taxing units;

8 (2) may include an allocation between the taxing units
9 of all or part of the taxes that were paid under protest before the
10 dispute or error was resolved, less any amount that is required to
11 be refunded to the property owner;

12 (3) must require the taxing units to refund to the
13 property owner any amount by which the amount paid by the owner to
14 the taxing units exceeds the amount due; and

15 (4) must be in writing.

16 (d) If a dispute or error described by Section 72.010(c),
17 Local Government Code, is resolved by the agreement of the taxing
18 units, a refund required by Subsection (c)(3) of this section must
19 be made not later than the 90th day after the date on which the
20 agreement is made.

21 (e) If a dispute or error described by Section 72.010(c),
22 Local Government Code, is not resolved by the agreement of the
23 taxing units and the supreme court enters a final order in a suit
24 under Section 72.010, Local Government Code, determining the amount
25 of taxes owed on the property and the taxing unit or units to which
26 the taxes are owed, a refund required as a result of the order must
27 be made not later than the 180th day after the date the order is

1 entered.

2 (f) A refund under this section shall be accompanied by:

3 (1) a description sufficient to identify the property
4 on which the taxes were imposed; and

5 (2) the tax account number, if applicable.

6 (g) A collector making a refund under this section shall
7 notify the auditor of each appropriate taxing unit not later than
8 the 30th day after the date the refund is made.

9 SECTION 4. Sections 31.12(a) and (b), Tax Code, are amended
10 to read as follows:

11 (a) If a refund of a tax provided by Section 11.431(b),
12 26.07(g), 26.15(f), 31.11, [~~or~~] 31.111, or 31.112 is paid on or
13 before the 60th day after the date the liability for the refund
14 arises, no interest is due on the amount refunded. If not paid on or
15 before that 60th day, the amount of the tax to be refunded accrues
16 interest at a rate of one percent for each month or part of a month
17 that the refund is unpaid, beginning with the date on which the
18 liability for the refund arises.

19 (b) For purposes of this section, liability for a refund
20 arises:

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

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

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

1 (A) for a correction to the tax roll made under
2 Section 26.15(b), on the date the change in the tax roll is
3 certified to the assessor for the taxing unit under Section 25.25;
4 or

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

8 (4) if the refund is required by Section 31.11, on the
9 date the auditor for the taxing unit determines that the payment was
10 erroneous or excessive or, if the amount of the refund exceeds the
11 applicable amount specified by Section 31.11(a), on the date the
12 governing body of the unit approves the refund; ~~or~~

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

16 (6) if the refund is required by Section 31.112, on the
17 date required by Section 31.112(d) or (e), as applicable.

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

20 Sec. 42.2532. ADJUSTMENT FOR RESOLUTION OF DISPUTE OR ERROR
21 RESULTING IN TAXATION OF SAME PROPERTY BY MULTIPLE SCHOOL
22 DISTRICTS. The commissioner shall adjust the amounts due to a
23 school district under this chapter and Chapter 46 as necessary to
24 account for the resolution of a dispute or error involving the
25 district and another district by an agreement between the districts
26 entered into under Section 31.112(c), Tax Code, or by a final order
27 of the supreme court entered under Section 72.010, Local Government

1 Code.

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

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