

By: Hinojosa

S.B. No. 2242

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 taxes imposed by 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 property owner may file suit with the supreme court challenging the imposition.

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

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

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

1 Sec. 31.112. REFUNDS OF DOUBLE TAXATION. (a) In this
2 section, "like taxing units" has the meaning assigned by Section
3 21.056.

4 (b) If as a result of a dispute or error described by Section
5 21.056(c) a property owner has made a tax payment under protest to
6 multiple like taxing units and the dispute or error is subsequently
7 resolved by written agreement between the like taxing units, the
8 like taxing units:

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

13 (2) shall refund to the property owner any amount by
14 which the sum paid to the like taxing units exceeds the amount due.

15 (c) A refund under this section shall be made as soon as
16 practicable after the resolution of the dispute or error under
17 Subsection (b). The refund shall be accompanied by a description
18 sufficient to identify the property subject to the taxes. If the
19 property is assigned an account number, the collector shall include
20 that number.

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

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

26 (a) If a refund of a tax provided by Section 11.431(b),
27 26.07(g), 26.15(f), 31.11, ~~[or]~~ 31.111, or 31.112 is paid on or

1 before the 60th day after the date the liability for the refund
2 arises, no interest is due on the amount refunded. If not paid on or
3 before that 60th day, the amount of the tax to be refunded accrues
4 interest at a rate of one percent for each month or part of a month
5 that the refund is unpaid, beginning with the date on which the
6 liability for the refund arises.

7 (b) For purposes of this section, liability for a refund
8 arises:

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

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

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

16 (A) for a correction to the tax roll made under
17 Section 26.15(b), on the date the change in the tax roll is
18 certified to the assessor for the taxing unit under Section 25.25;
19 or

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

23 (4) if the refund is required by Section 31.11, on the
24 date the auditor for the taxing unit determines that the payment was
25 erroneous or excessive or, if the amount of the refund exceeds the
26 applicable amount specified by Section 31.11(a), on the date the
27 governing body of the unit approves the refund; [~~or~~]

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

4 (6) if the refund is required by Section 31.112, on the
5 date the dispute or error described by Section 21.056(c) is
6 resolved by written agreement.

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

9 (a) Not later than the 45th day after the date an appeal is
10 finally determined or a dispute or error described by Section
11 21.056(c) is resolved, the chief appraiser shall:

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

15 (2) certify the change to the assessor for each
16 affected taxing unit.

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

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

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

26 SECTION 7. This Act takes effect immediately if it receives
27 a vote of two-thirds of all the members elected to each house, as

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1 provided by Section 39, Article III, Texas Constitution. If this
2 Act does not receive the vote necessary for immediate effect, this
3 Act takes effect September 1, 2017.