

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 20, 2017

TO: Honorable Joe Straus, Speaker of the House, House of Representatives

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB804** by Dale (Relating to the entitlement of a lessee of property who is required to pay the ad valorem taxes on the property to receive notice of the appraised value of the property.), **As Passed 2nd House**

No fiscal implication to the State is anticipated.

The bill would amend Chapter 41 of the Tax Code, regarding local appraisal review, to require a property owner to send a copy of the notice of appraised value to a person who is leasing property and is contractually obligated to reimburse the property owner for the taxes (rather than to any person who is leasing the property). The property owner would be required to send the copy not later than the 10th day after receiving the notice. These requirements would not apply if the property owner and lessee waive them in the contract or if the lessee will not protest the appraised value of the property. A person leasing property who has a contractual obligation to reimburse the property owner for the taxes would be permitted to request the chief appraiser to send the notice of appraised value to the person. Except as provided below, a chief appraiser would be required to send the notice of appraised value to a requestor who has demonstrated the contractual obligation not later than the fifth day after the date the notice is sent to the property owner. If the notice of appraised value is posted on the appraisal district's internet website not later than the fifth day after the date the notice is sent to the property owner, the chief appraiser would not be required to send the notice.

A person leasing property under a contract described by this section would be permitted to designate, in a specified manner, another person to act as the agent of the lessee for any specified purpose. The agent would have the same authority and would be subject to the same limitations as an agent designated by a property owner.

The bill modifies the law regarding persons with a contractual obligation to pay the property taxes on leased property, establishes deadlines and strikes an unnecessary notice requirement, but would not affect taxable property values, tax rates, collection rates, or any other variable which might affect the revenues of units of local governments or the state.

The bill would take effect on September 1, 2017.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: UP, KK, SD, SJS