

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 10, 2017

TO: Honorable Jane Nelson, Chair, Senate Committee on Finance

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB2228 by Murphy (Relating to deadlines for performing various functions in connection with the ad valorem tax system.), **As Engrossed**

No fiscal implication to the State is anticipated.

The bill would amend Chapter 11 of the Tax Code, regarding taxable property and exemptions, to require a chief appraiser to accept and approve or deny an application for an exemption for freeport goods after the filing deadline has passed if it is filed not later than June 1 (rather than before the date the appraisal review board approves the appraisal records).

The bill would amend Chapter 21 of the Tax Code, regarding taxable situs, to require a person claiming interstate allocation of certain property to file a completed allocation application form before April 1 (rather than before May 1). If the property was not on the appraisal roll in the preceding year, the deadline for filing the allocation application form would be extended to the 30th (rather than the 45th) day after the date of receipt of the notice of appraised value. For good cause shown, the chief appraiser would be required to extend the deadline for a period not to exceed 30 (rather than 60) days.

The bill would amend Chapter 22 of the Tax Code, regarding property tax renditions and other reports, to require that rendition statements and property reports for property located in an appraisal district in which one or more taxing units exempt freeport property must be delivered to the chief appraiser not later than April 1. The chief appraiser would be required to extend the deadline to May 1 on written request of the property owner. The chief appraiser would be permitted to further extend the deadline an additional 15 days for good cause shown in writing by the property owner.

Rendition statements and property reports for property regulated by the Public Utility Commission of Texas, the Railroad Commission of Texas, the federal Surface Transportation Board, or the Federal Energy Regulatory Commission would be required to be delivered to the chief appraiser not later than April 30, except as otherwise provided. The chief appraiser would be permitted to extend the filing deadline 15 days for good cause shown in writing by the property owner.

The bill would amend Chapter 41 of the Tax Code, regarding local review of appraisal protests, to repeal Subsection 41.44(b-1) of the Tax Code regarding permitting a single-family residence property owner who files a notice of protest after the deadline but before the appraisal review board approves the appraisal records to receive a hearing and determination of the protest if the property owner files the notice before June 1. The bill would remove the distinction between the protest filing deadline for residential and other property types and change the protest filing

deadline for all property types to not later than May 15 or the 30th day after the date that notice to the property owner was delivered to the property owner as provided by Section 25.19 of the Tax Code regarding notice of appraised value, whichever is later.

The bill 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 January 1, 2018.

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