

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

March 13, 2017

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB448 by Burton (Relating to the procedure for canceling a deferral or abatement of collection of ad valorem taxes on the residence homestead of an elderly person.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend Chapter 33 of the Tax Code, regarding property tax delinquency, to prohibit a chief appraiser from disqualifying an individual who is 65 years of age or older from the entitlement to receive a property tax deferral or abatement because the relevant property is no longer the individual's principal residence without first providing written notice. The notice would be required to include a form on which the individual may indicate that the property remains the individual's principal residence and a self-addressed postage prepaid envelope with instructions. The chief appraiser would be required to consider the individual's response on the form in determining whether the property remains the individual's principal residence. If chief appraiser does not receive a response on or before the 60th day after the date the notice is mailed, the chief appraiser may make a determination that the property is no longer the individual's principal residence on or after the 30th day after the expiration of the 60-day period, but only after making a reasonable effort to locate the individual and determine whether the property remains the individual's principal residence. An additional notice that includes certain specified language and information sent by first class mail, return service requested, or notice in another manner determined by the chief appraiser, would constitute a reasonable effort.

The bill's requirement that a chief appraiser must provide written notice and make a reasonable effort to locate an individual who is 65 years of age or older before disqualifying the individual from receiving a property tax deferral or abatement because the relevant property is no longer the individual's principal residence could create a cost to local taxing units and to the state through the school finance formulas because the payment of some taxes may be deferred that would otherwise not be. The number of individuals who might receive a tax deferral or abatement as a result of the bill is unknown but the cost is not anticipated to be significant.

The bill would take effect on September 1, 2017.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts
LBB Staff: UP, KK, SD, SJS