

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

April 7, 2017

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB1360 by Watson (Relating to the provision to a property owner by certain tax officials of certain information regarding the ad valorem taxes imposed on the owner's property.),
As Introduced

No fiscal implication to the State is anticipated.

The bill amends Chapter 25 of the Tax Code, relating to local property tax appraisal, to require that a notice of appraised value that includes an estimate of taxes and is for property that is located in a school district subject to recapture to include specified language relating to:

1. the estimated school district property tax due in the current year based on last year's tax rate; and
2. the dollar amount of property tax for the two preceding years that went to and the estimated dollar amount for the current year that will go to fund maintenance and operations, facilities, and to the state. The chief appraiser would have to compute these amounts as specified.

The bill authorizes a chief appraiser to send property owners a notice of the taxes actually imposed on the property rather than (or in addition to) including the estimated taxes on the notice of appraised value as currently required. This alternative notice in the form of a letter would be sent after each taxing unit that taxes a property has adopted a tax rate for the current year. If a property is located in a school district subject to recapture, this alternative notice must contain specified language relating to:

1. the school district property tax due in the current year; and
2. the dollar amount of property tax for the two preceding years that went to and the dollar amount for the current year that will go to fund maintenance and operations, facilities, and to the state. The chief appraiser would have to compute these amounts as specified.

The Comptroller would be required to prescribe by rule acceptable media, formats, content, and methods for electronic transmission of these notices and a chief appraiser in a county with a population of more than 200,000 would have to agree to send the notice electronically if requested by a property owner whose property is included in 25 or more accounts in that appraisal district.

This bill amends Section 31.01 of the Tax Code, relating to property tax bills, to require property tax bills (or on a separate statement) for school districts subject to recapture to include:

1. the school district property tax due in the current year; and
2. the dollar amount of property tax for the two preceding years that went to and the dollar amount for the current year that will go to fund maintenance and operations, facilities, and to the state. The school district assessor would have to compute these amounts as specified.

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 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