

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: SB2242 by Hinojosa (Relating to the elimination of double taxation of property due to jurisdictional disputes of like taxing units.), **As Introduced**

<p>No fiscal implication to the State is anticipated.</p>
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The bill amends Chapter 21 of the Tax Code, relating to taxable situs for property tax, to allow a property owner to file suit with the Supreme Court challenging taxes imposed by Nueces and San Patricio Counties if multiple like taxing units impose taxes on the property as a result of disputed, overlapping, or erroneously applied geographic boundaries. The Supreme Court would have original jurisdiction to hear and decide these suits, would be authorized to issue injunctive or declaratory relief, and would be required to rule on a filed suit not later than the 90th day after it is filed. The bill would amend Chapter 31 of the Tax Code, relating to collections, to allow for refunds with interest if the refund is not paid by the 60th day after the refund liability arises, if such a dispute or error is resolved by written agreement. The bill amends Section 42.41 of the Tax Code, relating to the correction of the appraisal roll, to require a chief appraiser to correct the appraisal roll and other records and to certify the change to the assessor(s) not later than the 45th day after such a dispute or error is resolved.

The bill amends Chapter 42 of the Education Code to require the Commissioner of Education to adjust the amounts due the school district under the Foundation School Program or Education Code Chapter 46 as necessary to account for resolution of these disputes or errors.

Nueces and San Patricio Counties could be positively or negatively impacted depending on the Supreme Court decisions or written agreements; therefore, the fiscal impact to these entities cannot be estimated. The bill's provision requiring the Commissioner of Education to adjust school funding would not be invoked because the resolutions of these disputes and errors would be related to the imposition of taxes imposed by Nueces and San Patricio Counties, not related to school districts; therefore, there is no fiscal impact to the state.

This bill would take effect immediately upon enactment, assuming it received the requisite two-thirds majority votes in both houses of the Legislature. Otherwise, it would take effect September 1, 2017.

Local Government Impact

Passage of the bill would amend Chapter 21 of the Tax Code, relating to taxable situs for property tax, to allow a property owner to file suit with the Supreme Court challenging taxes imposed by

Nueces and San Patricio Counties if multiple like taxing units impose taxes on the property as a result of disputed, overlapping, or erroneously applied geographic boundaries. As a result, Nueces and San Patricio Counties could be positively or negatively impacted depending on the Supreme Court decisions or written agreements; therefore, the fiscal impact to these entities cannot be estimated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: UP, KK, SD, SJS