SENATE AMENDMENTS

2nd Printing

By: Dale H.B. No. 804

A BILL TO BE ENTITLED

AN ACT

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.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 41.413, Tax Code, is amended by amending Subsection (d) and adding Subsections (e) and (f) to read as follows:

(d) A [~~The~~] property owner shall [~~timely~~] send to a [~~the~~] person leasing [~~the~~] property under a contract described by this section a copy of any notice of appraised value of the property [~~the property's reappraisal~~] received by the property owner. The property owner must send the notice not later than the 10th day after the date the property owner receives the notice. Failure of the property owner to send a copy of the notice to the person leasing the property does not affect the time within which the person leasing the property may protest the appraised value. The property owner and person leasing the property may waive the requirements of this subsection in the contract.

(e) A person leasing property under a contract described by this section may request that the chief appraiser of the appraisal district in which the property is located send the notice described by Subsection (d) to the person. Except as provided by Subsection (f), the chief appraiser shall send the notice to the person leasing

the property not later than the fifth day after the date the notice is sent to the property owner if the person demonstrates that the person is contractually obligated to reimburse the property owner for the taxes imposed on the property.

(f) A chief appraiser that receives a request under Subsection (e) is not required to send the notice requested under that subsection if the appraisal district in which the property that is the subject of the notice is located posts the appraised value of the property on the district's Internet website not later than the fifth day after the date the notice is sent to the property owner.

SECTION 2. The changes in law made by this Act apply only to a notice of appraised value sent to a property owner on or after the effective date of this Act.

SECTION 3. This Act takes effect September 1, 2017.

ADOPTED

MAY 18 2017

Secretary of the Senate

By: Van Taylor

H.B. No. 804

Substitute the following for H.B. No. 804:

By:

C.S.H.B. No. 804

A BILL TO BE ENTITLED

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(e) A person leasing property under a contract described by this section may request that the chief appraiser of the appraisal district in which the property is located send the notice described

by Subsection (d) to the person. Except as provided by Subsection (f), the chief appraiser shall send the notice to the person leasing the property not later than the fifth day after the date the notice is sent to the property owner if the person demonstrates that the person is contractually obligated to reimburse the property owner for the taxes imposed on the property.

(f) A chief appraiser who receives a request under Subsection (e) is not required to send the notice requested under that subsection if the appraisal district in which the property that is the subject of the notice is located posts the appraised value of the property on the district's Internet website not later than the fifth day after the date the notice is sent to the property owner.

SECTION 2. The changes in law made by this Act apply only to a notice of appraised value sent to a property owner on or after the effective date of this Act.

SECTION 3. This Act takes effect September 1, 2017.

ADOPTED

MAY 18 2017

Secretary of the Senate

FLOOR AMENDMENT NO. 1 BY: Van Taylor

Amend C.S.H.B. No. 804 (senate committee report) in SECTION 1 of the bill as follows:

(1) In the recital to the SECTION (page 1, line 32), strike "(e) and (f)" and substitute "(e), (f), and (g)".

(2) Following added Section 41.413(f), Tax Code (page 2, between lines 2 and 3), insert the following:

(g) A person leasing property under a contract described by this section may designate another person to act as the agent of the lessee for any purpose under this title. The lessee must make the designation in the manner provided by Section 1.111. An agent designated under this subsection has the same authority and is subject to the same limitations as an agent designated by a property owner under Section 1.111.

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

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 16, 2017

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

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.), **Committee Report 2nd House, Substituted**

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.

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

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 12, 2017

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

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 Engrossed**

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. 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.

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

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

April 17, 2017

TO: Honorable Dennis Bonnen, Chair, House Committee on Ways & Means

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.), **Committee Report 1st House, Substituted**

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. 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.

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

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

March 14, 2017

TO: Honorable Dennis Bonnen, Chair, House Committee on Ways & Means

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB804** by Dale (Relating to the duty of a property owner to send a lessee of the property who is required to pay the ad valorem taxes on the property a copy of any notice of appraised value received by the property owner.), **As Introduced**

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. A person authorized to protest an appraised value determination as a result of a contractual obligation to pay the property taxes on the person's leased property would be entitled to file a notice of protest not later than the 30th day after the date the notice is otherwise due if the property owner does not comply with the requirements regarding sending a copy of the notice of appraised value to a lessee.

The bill clarifies the law regarding protests by 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