

## **BILL ANALYSIS**

C.S.S.B. 1013  
By: Hughes  
Ways & Means  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

It has been suggested that the current calculation for the monetary penalty to be assessed for a late filing of an application for a freeport property tax exemption or for certain allocations can often result in a higher penalty than in the actual taxes owed after the exemptions and allocations are applied. C.S.S.B. 1013 seeks to remedy this situation by implementing a cap, with certain exceptions, on such a penalty in order to more appropriately align the penalty amount with the total amount of taxes owed on property that has been granted the freeport exemption or certain allocations.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

C.S.S.B. 1013 amends the Tax Code to cap the penalty for which a property owner is liable for a late application for a freeport property tax exemption or certain property tax allocations at 10 percent of the tax imposed, as applicable, unless the total amount of the applicable penalty for which the property owner is liable is less than \$5,000. The bill provides for the calculation of the penalty amount for which the owner is liable under such circumstances.

### **EFFECTIVE DATE**

September 1, 2019.

### **COMPARISON OF SENATE ENGROSSED AND SUBSTITUTE**

While C.S.S.B. 1013 may differ from the engrossed in minor or nonsubstantive ways, the following summarizes the substantial differences between the engrossed and committee substitute versions of the bill.

The substitute includes an exception to the cap on the penalty for which a property owner is liable for a late application for a freeport property tax exemption or certain property tax allocations. The substitute includes provisions calculating the amount of the penalty for which an owner is liable under the exception.