

## **BILL ANALYSIS**

Senate Research Center  
86R8152 SMT-F

S.B. 1856  
By: Paxton  
Property Tax  
4/7/2019  
As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Currently, several sections of the Property Tax Code are interpreted differently with regards to where tax collectors send refunds resulting from a late property tax exemption. Some collectors send the refund to the property owner, some send it to the property owner's tax agent (if applicable), and many others send it to the person or entity who remitted the tax payment, such as a mortgage company. Occasionally a homeowner is no longer serviced by the same mortgage company that remitted the tax payment, which can lead to long delays and in some cases non-delivery of refunded monies to the person who owned the property when the tax was paid.

S.B. 1856 seeks to clarify the Property Tax Code to ensure transparency and consistent handling of refunds to the owner of the property at the time the tax was paid resulting from the correction of a tax roll or the granting of a late property tax exemption.

As proposed, S.B. 1856 amends current law relating to the payment of certain ad valorem tax refunds.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Chapter 1, Tax Code, by adding Section 1.071, as follows:

Sec. 1.071. DELIVERY OF REFUND. (a) Requires a collector or taxing unit required by this title (Property Tax Code) to deliver a refund to a person to send the refund to the person's mailing address as listed on the appraisal roll.

(b) Requires the collector or taxing unit, notwithstanding Subsection (a), if a person files a written request with the collector or taxing unit that a refund owed to the person be sent to a particular address, to send the refund to the address stated in the request.

SECTION 2. Amends Section 11.431(b), Tax Code, to require a tax collector, if a tax has been paid, to refund to the person who was the owner of the property on the date the tax was paid the amount of tax imposed on the exempted amount, rather than refund the amount of tax imposed on the exempted amount.

SECTION 3. Amends Section 11.439(b), Tax Code, to make a conforming change to this subsection.

SECTION 4. Amends Section 26.112(b), Tax Code, to require the tax collector for the taxing unit, if the tax on the property has been paid, to refund to the person who was the owner of the property on the date the tax was paid, rather than refund to the person who paid the tax, the amount by which the payment exceeded the tax due.

SECTION 5. Amends Section 26.1125(b), Tax Code, to make a conforming change.

SECTION 6. Amends Section 26.1127(b), Tax Code, to make a conforming change.

SECTION 7. Makes application of this Act prospective.

SECTION 8. Effective date: September 1, 2019.