By:  Middleton H.B. No. 4194

A BILL TO BE ENTITLED

AN ACT

relating to the interest rate on a refund of ad valorem taxes made following the final determination of an appeal that decreases a property owner's tax liability.

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

SECTION 1.  Section 42.43, Tax Code, is amended by amending Subsections (b), (b-1), and (c) and adding Subsection (b-2) to read as follows:

(b)  Except as provided by Subsection (b-1), for [~~For~~] a refund made under this section, the taxing unit shall include with the refund interest on the amount refunded calculated at an annual rate of 9.5 percent, calculated from the delinquency date for the taxes until the date the refund is made.

(b-1)  For a refund made under this section resulting from the final determination of an appeal that decreases a property owner's liability for taxes imposed on a refinery, the taxing unit shall include with the refund interest on the amount refunded calculated at an annual rate that is equal to the auction average rate quoted on a bank discount basis for one-month treasury bills issued by the United States government, as published by the Federal Reserve Board, for the week in which the taxes became delinquent, but not more than 4 percent, calculated from the delinquency date for the taxes until the date the refund is made. In this subsection, "refinery" means an installation that refines, treats, prepares, or processes raw or unrefined petroleum.

(b-2)  A taxing unit may not send a refund made under this section before the earlier of:

(1)  the 21st day after the final determination of the appeal; or

(2)  the date the property owner files the form prescribed by Subsection (i) with the taxing unit.

(c)  Notwithstanding Subsections [~~Subsection~~] (b) and (b-1), if a taxing unit does not make a refund, including interest, required by this section before the 60th day after the date the chief appraiser certifies a correction to the appraisal roll under Section 42.41, the taxing unit shall include with the refund interest on the amount refunded at an annual rate of 12 percent, calculated from the delinquency date for the taxes until the date the refund is made. A refund is not considered made under this section until sent to the proper person as provided by this section.

SECTION 2.  The change in law made by this Act applies only to interest that accrues on or after the effective date of this Act. Interest that accrued before the effective date of this Act is governed by the law in effect when the interest accrued, and that law is continued in effect for that purpose.

SECTION 3.  This Act takes effect September 1, 2019.