

By: Bernal

H.B. No. 185

A BILL TO BE ENTITLED

1 AN ACT
2 relating to a study of the impact, feasibility, and advisability of
3 adopting a property tax system in which the disclosure of the sales
4 price of real property is required by law.

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

6 SECTION 1. (a) The comptroller shall conduct a study of the
7 impact, feasibility, and advisability of adopting a property tax
8 system in which the disclosure of the sales price of real property
9 is required by law.

10 (b) The comptroller shall establish an advisory committee
11 to assist the comptroller in conducting the study. The advisory
12 committee must be composed of:

13 (1) the following representatives appointed by the
14 comptroller:

15 (A) one representative of a school district that
16 is required to reduce its wealth per student under Chapter 41,
17 Education Code;

18 (B) one representative of a school district that
19 is entitled to state aid under Chapter 42, Education Code;

20 (C) one member of a county commissioners court;

21 (D) one member of the governing body of a
22 municipality;

23 (E) one member of the governing body of a
24 political subdivision other than a school district, county, or

1 municipality;

2 (F) one or more representatives of appraisal
3 districts;

4 (G) one or more representatives of the profession
5 of real estate agents;

6 (H) one or more representatives of property tax
7 payers;

8 (I) one or more representatives of organizations
9 interested in the effect of public policy on low-income and
10 moderate-income households; and

11 (J) one or more representatives of other
12 appropriate interested organizations or members of the public, as
13 determined by the comptroller;

14 (2) one member of the house of representatives
15 appointed by the speaker of the house of representatives; and

16 (3) one member of the senate appointed by the
17 lieutenant governor.

18 (c) The comptroller, with the assistance of the advisory
19 committee, shall study:

20 (1) the impact on the property tax system, property
21 tax revenue of school districts and other taxing units, the
22 allocation of property tax burdens among taxpayers, and the cost to
23 the state to fund public education:

24 (A) under the current system in which the
25 disclosure of the sales price of real property is not required by
26 law; and

27 (B) under a system in which the disclosure of the

1 sales price of real property would be required by law;

2 (2) the statutory and administrative changes that
3 would be necessary to effectively collect, disseminate, and use
4 sales price information;

5 (3) the annual cost to purchase real property sales
6 price information from a private entity, such as a multiple listing
7 service, compared to the annual cost to obtain that information
8 under a system in which the disclosure of the sales price of real
9 property would be required by law; and

10 (4) the annual cost to appraisal districts of all
11 property tax protests and appeals filed under Chapters 41, 41A, and
12 42, Tax Code, and Subchapter Z, Chapter 2003, Government Code.

13 (d) In studying the allocation of property tax burdens among
14 taxpayers, the comptroller and the advisory committee must compare
15 the tax burden among property owners of each classification of real
16 property, including a comparison of the burden on owners of:

17 (1) commercial properties as compared to
18 single-family residential properties;

19 (2) industrial properties as compared to
20 single-family residential properties; and

21 (3) single-family residential properties for which
22 the sales price of the property is provided by a private entity,
23 such as a multiple listing service, to a chief appraiser for use by
24 the chief appraiser in determining the appraised value of the
25 property as compared to single-family residential properties for
26 which the sales price is not provided.

27 (e) The comptroller and the advisory committee shall

1 prepare a report that:

2 (1) makes findings and recommendations regarding the
3 issues studied under Subsection (c) of this section;

4 (2) forecasts the fiscal impact to state revenue for
5 the following three state fiscal bienniums under a system in which
6 the disclosure of the sales price of real property would be required
7 by law as compared to a system in which the sales price of real
8 property is not required by law; and

9 (3) lists each type of taxing unit that would be
10 impacted under a system in which the disclosure of the sales price
11 of real property would be required by law.

12 (f) The comptroller may contract with appraisal districts,
13 taxing units, or other appropriate entities for assistance and to
14 obtain information necessary to conduct the study. A state agency,
15 appraisal district, or taxing unit shall assist the comptroller if
16 the comptroller requests information or assistance in conducting
17 the study.

18 (g) Not later than December 1, 2020, the comptroller shall
19 submit to the governor, lieutenant governor, and speaker of the
20 house of representatives the report prepared under Subsection (e)
21 of this section.

22 SECTION 2. This Act expires September 1, 2021.

23 SECTION 3. This Act takes effect immediately if it receives
24 a vote of two-thirds of all the members elected to each house, as
25 provided by Section 39, Article III, Texas Constitution. If this
26 Act does not receive the vote necessary for immediate effect, this
27 Act takes effect September 1, 2019.