

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

April 15, 2019

TO: Honorable Dustin Burrows, Chair, House Committee on Ways & Means

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: **HB2770** by Martinez Fischer (Relating to the payment in installments of ad valorem taxes on a residence homestead.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend Chapter 31, of the Tax Code, related to property tax collections, permitting any disabled veteran or other individual who has a residence homestead exemption to pay property taxes on that homestead in 10 equal installments, rather than just a homestead owner who is at least 65 years of age, disabled, a disabled veteran, or the unmarried surviving spouse of a disabled veteran. The bill would allow these individuals to pay their residence homestead taxes or taxes on property partially exempt under Tax Code Section 11.22, relating to the disabled veterans exemption, in 10 equal installments. These individuals would be allowed to pay installments without penalty and interest if the first installment is paid before the delinquency date and the remaining nine equal installments paid before the first day of each month for each of the nine months following the date on which the first installment is paid.

The bill's provisions that would allow any disabled veteran or other individual who has a residence homestead exemption to pay property taxes on that homestead in 10 equal installments might provide the flexibility needed for these property owners to pay taxes owed that would otherwise go unpaid, creating a gain to taxing units and to the state through the school funding formula. However, the payment of these taxes would result in less penalties and interest accruing on these accounts that would otherwise go delinquent, creating a loss to local taxing units. This would also hold true for the bill's provisions that would allow installment payments on property partially exempt under Tax Code Section 11.22. As a result, the fiscal impact cannot be estimated, but is not expected to be significant.

The bill would take effect January 1, 2020.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: WP, KK, SD, SJS