87R1103 TJB-D

By:  Bernal H.B. No. 203

A BILL TO BE ENTITLED

AN ACT

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

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

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

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

(1)  the following representatives appointed by the comptroller:

(A)  one representative of a school district that is required to reduce its local revenue level under Section 48.257, Education Code;

(B)  one representative of a school district that receives state aid under Chapter 48, Education Code;

(C)  one member of a county commissioners court;

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

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

(F)  one or more representatives of appraisal districts;

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

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

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

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

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

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

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

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

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

(B)  under a system in which the disclosure of the sales price of real property would be required by law;

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

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

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

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

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

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

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

(e)  The comptroller and the advisory committee shall prepare a report that:

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

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

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

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

(g)  Not later than December 1, 2022, the comptroller shall submit to the governor, lieutenant governor, and speaker of the house of representatives the report prepared under Subsection (e) of this section.

SECTION 2.  This Act expires September 1, 2023.

SECTION 3.  This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2021.