

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION**

**April 6, 2021**

**TO:** Honorable Paul Bettencourt, Chair, Senate Committee on Local Government

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: SB1413** by Paxton (Relating to the electronic delivery of certain communications and payments required or permitted under the Property Tax Code; authorizing a fee.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds for SB1413, As Introduced :** a negative impact of (\$2,961,000) through the biennium ending August 31, 2023.

Costs associated with implementing provisions of the bill authorizing the Comptroller to develop by rule and maintain the centralized system for administering the electronic delivery of communications and payments between a tax official and a property owner or person designated by the property owner would be significant and cannot be determined at this time.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

**General Revenue-Related Funds, Five- Year Impact:**

<i>Fiscal Year</i>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2022	(\$2,961,000)
2023	\$0
2024	\$0
2025	\$0
2026	\$0

**All Funds, Five-Year Impact:**

<i>Fiscal Year</i>	<b>Probable Savings/(Cost) from General Revenue Fund 1</b>
2022	(\$2,961,000)
2023	\$0
2024	\$0
2025	\$0
2026	\$0

**Fiscal Analysis**

The bill would amend the Property Tax Code to allow electronic delivery of any communication as defined in the bill, or a payment that is required or permitted to be delivered by registered mail, certified mail, certified mail with return receipt requested, regular first-class mail, or regular mail. The bill specifies electronic

delivery would not apply to a court proceeding for which another law or Texas Rules of Civil Procedure prescribes a different delivery method.

The bill would define "tax official" to mean the Comptroller, a chief appraiser, an appraisal district, an appraisal review board, an assessor, a collector, or a taxing unit. The bill would require a tax official to deliver a communication or payment electronically. The tax official would be required to notify a property owner or their agent of the electronic communication requirement and the property owner, by written request, could opt out and choose to receive communications or payments by mail or enter into an agreement specifying the preferred delivery method. The bill specifies other instances when a communication or payment is to be delivered by mail.

The bill would allow the Comptroller by rule to develop and maintain a centralized system for administering electronic delivery of communications and payments between a tax official and property owner or their agent. The bill allows the Comptroller to charge a reasonable convenience fee for use of the system.

The bill would repeal current provisions regarding electronic notices and makes other conforming amendments.

### **Methodology**

The Comptroller's office estimates that implementing the provisions of the bill related to electronic delivery by the Comptroller of a communication or payment to a property owner or a person designated by the property would require a one-time technology cost of \$2,961,000 in fiscal year 2022 to modernize the current notice system for arbitration and to develop a registration and payment application.

According to the Comptroller's office, costs associated with implementing provisions of the bill authorizing the Comptroller to develop by rule and maintain the centralized system for administering the electronic delivery of communications and payments between a tax official and a property owner or person designated by the property owner would be significant and cannot be determined at this time.

### **Technology**

The Comptroller's office estimates a one-time technology cost of \$2,961,000 in fiscal year 2022. The Comptroller's office estimates that it will require 19,740 programming hours to modernize the current notice system for arbitration and to develop a registration and payment application. Included in those hours is a major rewrite of the mainframe arbitration system in order for the system to receive the online requests and deliver required electronic communications.

### **Local Government Impact**

According to the Tax Assessor-Collectors for Montgomery, Dallas and Lubbock counties, the fiscal impact of implementing the bill's provisions cannot be determined.

**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** JMc, AF, SD, BRI