

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

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

**April 25, 2021**

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

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

**IN RE: SB1446** by Gutierrez (Relating to the collection of delinquent property taxes.), **As Introduced**

<b>No fiscal implication to the State is anticipated.</b>
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The bill would amend Chapter 6 of the Tax Code, regarding local property tax administration, to reduce compensation for an attorney that represents a taxing unit to enforce the collection of delinquent taxes to not exceed 15 percent of the delinquent tax, penalty, and interest collected.

Reducing the maximum amount of compensation a taxing unit is allowed to contract with an attorney or law firm to collect delinquent taxes for the taxing unit could be a gain to units of local government depending if they contract for these services and if the current contract is more than 15 percent. The maximum amount under current law is 20 percent of the amount of the delinquent tax, penalty, and interest collected. The number of contracts this would apply is unknown but is not likely to have a significant impact.

This bill would have no fiscal impact on the state. Units of local government could incur a slight gain, but not expected to be significant.

The bill would take effect January 1, 2022.

**Local Government Impact**

Units of local government could incur a slight gain if they contract for these services and if the current contract is more than 15 percent. The number of contracts this would apply is unknown but is not likely to have a significant impact.

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

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