

## **BILL ANALYSIS**

C.S.H.B. 2981  
By: Hefner  
Ways & Means  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Under current law, the comptroller of public accounts must deliver notice regarding the suspension or revocation of a permit or license and notice regarding the forfeiture of corporate privileges for franchise tax delinquency either through mail or in person, as applicable, and lacks the authority to deliver these notices electronically. C.S.H.B. 2981 seeks to give the comptroller the option to provide these notices by electronic means and specifies the contact information the comptroller must use in doing so.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

C.S.H.B. 2981 amends the Tax Code to give the comptroller of public accounts the option to use electronic means to serve notice regarding a hearing or decision to revoke or suspend a person's permit or license for failure to comply with any provision governing state taxation or a corresponding comptroller rule, including notice with respect to sales tax permits specifically, as an alternative to serving the notice personally or by mail. The bill establishes that service by electronic means is complete when the comptroller transmits the notice using the contact information provided to the comptroller by the permit or license holder as shown in the comptroller's records and that service by mail is complete when the comptroller deposits the notice in a U.S. Postal Service post office.

C.S.H.B. 2981 additionally gives the comptroller the option to provide notice to a corporation regarding the forfeiture of corporate privileges under provisions relating to the franchise tax by electronic means as an alternative to providing the notice by mail. The bill specifies that such notice sent electronically must use the contact information provided to the comptroller by the corporation as shown in the comptroller's records.

### **EFFECTIVE DATE**

September 1, 2023.

### **COMPARISON OF INTRODUCED AND SUBSTITUTE**

While C.S.H.B. 2981 may differ from the introduced in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

While both the introduced and the substitute provide for electronic notice regarding the suspension or revocation of a person's permit or license, the versions differ on this matter as follows:

- the introduced authorized notice to be served electronically at the option of the permit or license holder, whereas the substitute directly gives the comptroller the option to provide notice electronically;
- the substitute adds the option to provide electronic notice both in a provision regarding the suspension and revocation of licenses or permits generally and in a provision applicable to sales tax permits specifically, whereas the introduced only added it in the generally applicable provision; and
- the introduced required electronic notice to be addressed to the person's email address as it appears in the comptroller's records, whereas the substitute establishes that service by electronic means is complete when the notice is transmitted using the contact information the permit or license holder provided to the comptroller as shown in the comptroller's records.

The substitute also includes a provision not included in the introduced establishing when service of such notice by mail is considered complete.

The substitute includes provisions not included in the introduced that additionally give the comptroller the option to provide notice regarding the forfeiture of corporate privileges electronically.