

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

April 16, 2023

TO: Honorable Morgan Meyer, Chair, House Committee on Ways & Means

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB3769 by Murr (Relating to the ad valorem taxation of certain dealer's heavy equipment inventory.),
As Introduced

No significant fiscal implication to the State is anticipated.

The bill would amend Chapter 23 of the Tax Code, relating to Appraisal Methods and Procedures, to prohibit an owner of heavy equipment that is leased to the United States or an agency or instrumentality thereof, from including the assigned unit property tax as a line item on an invoice and from collecting the property tax from the lessee. The bill does not exempt the leased property from property tax.

The bill would require the collector to provide written notice to each owner for whom the collector maintains an escrow account of the unit property tax factor for the following tax year for each location in which the owner's heavy equipment inventory is located by December 15 of each year.

The bill would change certain heavy equipment dealer filing requirements from monthly to calendar quarter and move the tax delinquency date from January 31 to February 28. Additionally, the bill would require the collector to distribute all fund collected to the respective taxing units not later than March 31 and direct the collector to collect delinquent taxes.

The bill would make conforming changes to Chapter 31 of the Tax Code, relating to Collections.

The bill would not affect taxable property values, tax rates, collection rates, or any other variable that might affect the revenues of units of local governments or the state.

Local Government Impact

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

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JMc, KK, SD, BRI