

BILL ANALYSIS

Senate Research Center

S.B. 402
By: Paxton
Local Government
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Enrolled

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

In 2019, S.B. 1856 created Section 1.071, Tax Code, allowing for property tax refunds, but this section does not include language for a standardized form. Section 42.43, Tax Code, prescribes the method that a property tax refund may be sent to a property owner in the event a judicial review shows the taxing entity was in error on overcharging a property owner. In this section, a property owner may file a form prescribed by the Comptroller of Public Accounts of the State of Texas (comptroller) with the taxing entity for a refund to be sent to a person other than the property owner or an address other than the property owner's address.

Section 1.071, Tax Code, has a similar provision, but this section lacks the clarity that is included in Section 42.43, Tax Code, that gives the comptroller the authority to prescribe the correct form.

S.B. 402 provides the comptroller guidance to create a form for a property tax refund.

S.B. 402 amends current law relating to the payment of certain ad valorem tax refunds.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 1.071, Tax Code, as follows:

Sec. 1.071. DELIVERY OF REFUND. (a) Requires a collector or taxing unit required by Title 1 (Property Tax Code) to deliver a refund to a person, except as provided by Subsection (b), to send the refund to the person's mailing address as listed on the appraisal roll.

(b) Requires the collector or taxing unit, if a person to whom a refund is owed files a written request on a form prescribed by the Comptroller of Public Accounts of the State of Texas (comptroller) with a collector or taxing unit before the date the refund is issued requesting that the refund be sent to a particular address, to send the refund to the address stated on the form. Deletes existing text requiring the collector or taxing unit, notwithstanding Subsection (a), to send the refund to the address stated in the request if a person files a written request with the collector or taxing unit that a refund owed to the person be sent to a particular address.

(c) Requires the comptroller to prescribe a form a person is authorized to use to make a request under Subsection (b). Requires the comptroller to include on the form a notice of the penalties prescribed by Section 37.10 (Tampering With Governmental Record), Penal Code, for making or filing an application containing a false statement.

(d) Authorizes a person who files a request with a collector or taxing unit under Subsection (b) to revoke the request by filing a written revocation with the collector or taxing unit.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: September 1, 2025.