

BILL ANALYSIS

Senate Research Center

S.B. 1951
By: Paxton
Local Government
6/2/2025
Enrolled

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

S.B. 1951 provides additional transparency and taxpayer notice requirements with respect to late rendition penalties and removes the financial incentive for appraisal districts to impose such penalties.

A 10 percent penalty is imposed on any taxpayer who fails to timely file a personal property rendition statement or property report. The appraisal district imposing the penalty is required to send notice of the penalty to the taxpayer via first class mail, though there is no statutory deadline for doing so. Notably, appraisal districts also get to keep five percent of all rendition penalties they impose each year.

In addition, some appraisal districts are imposing rendition penalties without taxpayers ever having any knowledge of it. These taxpayers never receive a penalty notice in the mail and may have no idea a penalty was levied because the penalty is embedded in the "tax due" amount on the tax bill (without any itemization or reference to the penalty). As a result, taxpayers may have no idea they are paying a 10 percent penalty they may not owe.

S.B. 1951 amends current law relating to the imposition of a penalty for failure to timely file a rendition statement or property report with the chief appraiser of an appraisal district.

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. Sections 22.28(a) and (b), Tax Code, are amended to read as follows:

(a) Requires the chief appraiser, not later than June 1, to deliver, rather than to deliver by first class mail, a notice of the imposition of a penalty to a person who fails to timely file a rendition statement or property report. Requires that the notice be delivered by first-class mail, except that the notice is required to be delivered by certified mail if the property was not listed on the appraisal roll in the preceding tax year. Requires that the notice also be delivered, rather than authorizes the notice, if practicable, to be delivered, with a notice of appraised value provided under Section 25.19 (Notice of Appraised Value). Makes a nonsubstantive change.

(b) Requires that the tax bill state the amount of tax due and the amount of the penalty due as separate line items.

SECTION 2. Repealer: Section 22.28(d) (relating to requiring that five percent of the imposed penalty amount be remitted to the appraisal district), Tax Code.

SECTION 3. Makes application of this Act prospective.

SECTION 4. Effective date: January 1, 2026.