

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

May 17, 2025

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB3424 by Capriglione (Relating to the ad valorem taxation of certain dealer's heavy equipment inventory.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

The bill would require a dealer to file statements and remit unit property tax payments to the collector quarterly, instead of monthly. 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 amend the dealer's heavy equipment inventory tax statement to provide the aggregate sales price of the lease or rental payment, and the total amount of unit property tax assigned to the items.

The bill would remove the requirement that dealers file a copy of the statement with the appraisal district and would require a dealer to retain records for at least four years from the date of disposition of the item.

The bill would also authorize a person who acquires the business or assets of the owner to use the same unit property tax factor that the owner who owes the current year tax would use when paying the current year tax.

Local Government Impact

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

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JMc, SZ, KK, SD, BRI