

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION**

**May 28, 2025**

**TO:** Honorable Dan Patrick, Lieutenant Governor, Senate

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: SB850** by Middleton (Relating to the payment of certain ad valorem tax refunds.), **As Passed 2nd House**

<b>No fiscal implication to the State is anticipated.</b>
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The bill would require a tax collector to notify in writing a taxpayer who made overpayments and automatically refund an overpayment of a tax of \$20 or more to the taxpayer. A taxpayer would have to apply for a refund if the overpayment is less than \$20. The bill would give a taxpayer 60 days to file suit against a taxing unit to compel payment of the refund.

The bill would provide for when liability for the refund begins for purposes of interest accruing.

The bill would prescribe a deadline for a tax collector to issue a refund due to a taxpayer after the final determination in binding arbitration and the interest rate if the tax collector fails to issue the refund by the deadline.

The bill would prescribe a deadline for a collector to issue a refund due to a taxpayer after the final determination of appeal and the interest rate if the tax collector fails to issue the refund by the deadline. The bill would give the property owner the right to waive the interest required by this section.

The bill would prescribe a deadline for a tax collector to issue a refund due to a taxpayer after the final determination of appeal and the interest rate if the tax collector fails to issue the refund by the deadline. The bill would require that if the refund is not made within the required time period due to an act or omission of the chief appraiser, the appraisal district employing the chief appraiser would be required to reimburse the collector for any interest required to be included with the refund.

**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, BRI, SZ, SD