

BILL ANALYSIS

Senate Research Center

C.S.H.B. 2201
By: Stiles (Ratliff)
Finance
5-2-97
Committee Report (Substituted)

DIGEST

Currently, the Tax Code requires a taxpayer to pay taxes on property that is subject to an appeal before the delinquency date in order to proceed to a final determination of the appeal. The amount of taxes that must be paid can either be the amount of taxes due on the portion of the taxable value of the property that is not in dispute or the amount of taxes imposed on the property in the preceding year, whichever is greater; or the amount of taxes due on the property under the order from which the appeal is taken. This bill conforms property taxes as decided in the case of *Rockwall County CAD v. Lall* by deleting the requirement that taxpayers pay the taxes imposed on the property in the preceding year in order to proceed to a final determination.

PURPOSE

As proposed, C.S.H.B. 2201 conforms property taxes as decided in the case of *Rockwall County CAD v. Lall* by deleting the requirement that taxpayers pay the taxes imposed on the property in the preceding year in order to proceed to a final determination.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Sections 42.08(b) and (c), Tax Code, to require a property owner to pay the lesser of a certain amount of taxes due on property, rather than the amount of taxes imposed on the property in the preceding year, whichever is greater.

SECTION 2. Amends Section 42.29, Tax Code, as follows:

Sec. 42.29. ATTORNEY'S FEES. Authorizes a property owner who prevails in an appeal to the court under Section 42.25 or 42.26, to be awarded reasonable attorney's fees. Prohibits the amount of the award from exceeding the greater of certain amounts. Prohibits the amount of an award of attorney's fees from exceeding the lesser of \$100,000 or the total amount by which the property owner's tax liability is reduced as a result of the appeal, notwithstanding Subsection (a).

SECTION 3. Amends Section 42.42, Tax Code, by amending Subsections (b) and (c), and adding Subsection (d), to provide that the owner is liable for penalties and interest calculated as provided by Section 33.01, as if the tax included in the supplemental bill became delinquent on the original delinquency date prescribed by Chapter 31. Sets forth provisions regarding taxes the owner did not pay because the court found that payment would constitute an unreasonable restraint on the owner's right of access to the courts. Makes conforming and nonsubstantive changes.

SECTION 4. Makes application of this Act prospective.

SECTION 5. Emergency clause.
Effective date: upon passage.

SUMMARY OF COMMITTEE CHANGES

SECTION 1.

Amends Sections 42.08(b) and (c), Tax Code, to set forth award amounts for attorney's fees.
Deletes proposed text prohibiting awarded attorney's fees from exceeding \$100,000.