

## **BILL ANALYSIS**

Senate Research Center

S.B. 1423  
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As Filed

### **DIGEST**

Currently, a person leasing property has the right to protest the appraised value of the property to the appraisal board if that person is obligated to reimburse the owner for taxes. Representatives of the office building industry, the shopping center industry, and professional property managers are now concerned that this statute will be interpreted to apply to multi-tenant properties, when it was only intended to apply to single-tenant properties. S.B. 1423 would clarify that a lessee tax protest only applies to a single-tenant situation.

### **PURPOSE**

As proposed, S.B. 1423 outlines provisions regarding the right of certain lessees of real property to protest before an appraisal review board a determination of the appraised value of the property for ad valorem tax purposes.

### **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 Section 41.413(b), Tax Code, to provide that a person leasing rental property who is contractually obligated to reimburse the property owner for taxes imposed on the property is entitled to protest before the appraisal review board a determination of the appraised value of the property if the lease does not prohibit the person from filing a protest relating to the property and the property owner does not file a protest relating to the property. Provides that this subsection applies only to real property leased to one lessee and does not apply to a multi-tenant property.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: September 1, 1997.

SECTION 4. Emergency clause.