BILL ANALYSIS

Senate Research Center
77R3775 CLG-D

H.B. 394
By: Keffer (Staples)
Intergovernmental Relations
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Engrossed

DIGEST AND PURPOSE

Currently, a business must report an inventory to the county clerk to hold a going out of business sale. The county clerk is not required to report that information to the chief tax appraiser. This can result in erroneous tax assessments. H.B. 394 requires a person to file an inventory with the chief appraiser rather than the county clerk to receive a permit to hold a going out of business sale.

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. Amends Section 17.83(a), Business & Commerce Code, to require a person, in order to conduct a going out of business sale, to file an original inventory with the chief appraiser, rather than county clerk, of the appraisal district, rather than county, in which the person's principal place of business in the state is located.

SECTION 2. Amends Chapter 17F, Business & Commerce Code, by adding Section 17.835, as follows:

> Sec. 17.835. NOTICE OF FILING OF ORIGINAL INVENTORY. Requires the chief appraiser, not later than the fifth business day after the date on which a person files an original inventory under Section 17.83, to send notice of the filing to the comptroller, the county clerk of the county in which the person's principal place of business in the state is located, and the tax collector for each of the taxing units that tax the property described in the original inventory.

SECTION 3. Amends Section 17.84(a), Business & Commerce Code, to make a conforming change.

SECTION 4. Amends Section 17.86, Business & Commerce Code, to make a conforming change.

SECTION 5. Amends Section 17.87, Business & Commerce Code, to make a conforming change.

SECTION 6. Effective date: September 1, 2001.
Makes application of this Act prospective.