

BILL ANALYSIS

Senate Research Center

H.B. 1680
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Throughout the state, there have been instances in which various taxing entities such as school districts, counties, hospital districts, among others, have had to deal with a shortage of funds when one of the major taxpayers refused to pay on the current appraised value while an appeal or court case is in progress. In one particular instance, a company paid under protest the appraised value for several years, but then one year, after the governmental bodies had set their budgets, stopped paying on the protested amount. This placed a great hardship on those governmental bodies resulting in their having to make up the shortfall from their fund balance the first year and then raising taxes on the other taxpayers the following year while the protest was still in court.

This creates another problem for school districts. If school districts do not collect a high enough percentage of their taxes, they can be penalized by the comptroller of public accounts for under collecting. However, if the property owner had continued paying the taxes under protest, the school districts or other taxing entities would have been setting aside monies to pay back the property owner for any overpaid taxes. Some of these concerns for schools have been addressed with other legislation, however there are still concerns for other taxing entities.

H.B. 1680 requires that a property owner whose taxable appraised value is one of the top five valued properties on the appraisal roll certified by the assessor for any taxing entity pay certain property taxes due on the property under the order from which an appeal is taken.

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 42.08, Tax Code, by adding Subsection (b-1), to provide that this subsection applies only to an appeal in which the property owner elects to pay the amount of taxes described by Subsection (b)(1). Requires the notice of appeal filed by the property owner to be accompanied by a statement in writing of the amount of taxes the property owner proposes to pay.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: upon passage or September 1, 2007.