

BILL ANALYSIS

Senate Research Center
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S.B. 797
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Finance
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Section 31.11 of the Tax Code governs the process by which a taxing unit refunds overpayments or erroneous payments of property taxes. The section requires that a taxpayer apply to the tax assessor-collector of the taxing unit for a refund and, on a determination by the auditor for the taxing unit that an overpayment or erroneous payment was made, the tax assessor-collector must refund the amount of the overpayment or erroneous payment to the taxpayer.

However, when a tax assessor-collector collects taxes for just one taxing unit in a county with a population of over 1.5 million, the governing body of the taxing unit must also make a determination that an overpayment or erroneous payment has been made. The requirement applies to any refund exceeding \$2,500. For a county with a population under 1.5 million, the governing body must make this determination for any refund exceeding \$500. Additionally, when a tax assessor-collector collects taxes for more than one taxing unit, the governing body must make this determination for any refund exceeding \$2,500.

As proposed, S.B. 797 amends current law relating to the circumstances in which the approval of the governing body of a taxing unit is required for refunds of overpayments or erroneous payments of ad valorem taxes.

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 31.11(a), Tax Code, as follows:

(a) Requires the tax collector, if a taxpayer applies to the tax collector of a taxing unit for a refund of an overpayment or erroneous payment of taxes and the auditor for the unit determines that the payment was erroneous or excessive, to refund the amount of the excessive or erroneous payment from available current tax collections or from funds appropriated by the unit for making refunds. Prohibits the collector from making the refund unless:

(1) in the case of a collector who collects taxes for one taxing unit, the governing body of the taxing unit also determines that the payment was erroneous or excessive and approves the refund if the amount of the refund exceeds \$5,000, rather than \$2,500, for a refund to be paid by a county with a population of two, rather than 1.5, million or more, or \$500 for a refund to be paid by any other taxing unit; or

(2) in the case of a collector who collects taxes for more than one taxing unit, the governing body of the taxing unit that employs the collector also determines that the payment was erroneous or excessive and approves the refund if the amount of the refund exceeds \$5,000 for a refund to be paid by a county with a population of two million or more, or \$2,500 for a refund to be paid by any other taxing unit.

SECTION 2. Provides that this Act applies only to the ad valorem taxes imposed for a tax year that begins on or after the effective date of this Act.

SECTION 3. Effective date: January 1, 2010.