

BILL ANALYSIS

Senate Research Center

H.B. 804
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Finance
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Enrolled

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Interested parties observe that lessees who are responsible for taxes on the property that they rent do not have a fair chance to protest the value of the property. While owners are required to furnish notice of a property's appraised value in a timely manner, state law does not specify the constitution of timely. Consequently, a lessee may learn of a change in their property's appraised value after the deadline for protecting that valuation has lapsed.

H.B. 804 proposes several reforms that allow lessees to be informed of their property's appraised value within a reasonable, and meaningfully timely, timeframe. H.B. 804 requires that a property owner send their lessees a copy of any notice of appraised value within 10 days of receipt of the notice. In addition, H.B. 804 allows a lessee to request that a chief appraiser send direct notice of a property's appraisal to the lessee. These changes ensure that lessees receive timely, fair notice of their leased property's appraised value, better enabling lessees to protest those values. (Original Author's / Sponsor's Statement of Intent)

H.B. 804 amends current law relating to the entitlement of a lessee of property who is required to pay the ad valorem taxes on the property to receive notice of the appraised value of the property.

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 41.413, Tax Code, by amending Subsection (d) and adding Subsections (e), (f), and (g), as follows:

(d) Requires a property owner to send, rather than timely send, to a person leasing property under a contract described by this section (Protest by Person Leasing Property) a copy of any notice of appraised value of the property, rather than the property's reappraisal, received by the property owner. Requires the property owner to send the notice not later than the 10th day after the date the property owner receives the notice. Provides that failure of the property owner to send a copy of the notice to the person leasing the property does not affect the time within which the person leasing the property is authorized to protest the appraised value. Provides that this subsection does not apply if the property owner and the person leasing the property have agreed in the contract to waive the requirements of this subsection or that the person leasing the property will not protest the appraised value of the property. Makes nonsubstantive changes.

(e) Authorizes a person leasing property under a contract described by this section to request that the chief appraiser of the appraisal district in which the property is located send the notice described by Subsection (d) to the person. Requires the chief appraiser, except as provided by Subsection (f), to send the notice to the person leasing the property not later than the fifth day after the date the notice is sent to the property owner if the person demonstrates that the person is contractually obligated to reimburse the property owner for the taxes imposed on the property.

(f) Provides that a chief appraiser that receives a request under Subsection (e) is not required to send the notice requested under that subsection if the appraisal district in which the property that is the subject of the notice is located posts the appraised value of the property on the district's Internet website not later than the fifth day after the date the notice is sent to the property owner.

(g) Authorizes a person leasing property under a contract described by this section to designate another person to act as the agent of the lessee for any purpose under this title (Property Tax Code). Requires the lessee to make the designation in the manner provided by Section 1.111 (Representation of Property Owner). Provides that an agent designated under this subsection has the same authority and is subject to the same limitations as an agent designated by a property owner under Section 1.111.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: September 1, 2017.