

BILL ANALYSIS

H.B. 861
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Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

A taxpayer not satisfied with a property valuation as determined by an appraisal review board may appeal the determination to a district court, provided they may a payment before the date of delinquency. In such a case the taxpayer can pay the tax as assessed, the amount of tax not in dispute, or the amount of tax paid for the prior year. If the taxpayer opts to pay an amount less than the amount assessed while the appeal is being determined and the taxes are ultimately determined to be underpaid, a penalty and interest is due on the shortfall calculated from the original delinquency date. Concerns of fairness have been raised with regard to a taxpayer's obligation to pay penalties and interest on the additional taxes imposed following the final determination of the appeal if the owner paid what they believed was owed prior to the district court hearing and subsequently paid any additional taxes in a timely manner. H.B. 861 seeks to remedy this situation and make a taxpayer liable for the penalties and interest only if the additional taxes are not paid by the delinquency date.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 861 amends the Tax Code to condition a property owner's liability for penalties and interest on the tax included in a supplemental property tax bill resulting from a final determination of a property tax appeal occurring after the property owner has paid a portion of the tax finally determined to be due on the additional tax not being paid by the delinquency date for the additional tax. The bill conditions a property owner's liability for interest on the tax included in a supplemental property tax bill resulting from the property owner failing to pay any portion of the taxes imposed on the property because the court found that payment would constitute an unreasonable restraint on the owner's right of access to the courts on the additional tax not being paid by the delinquency date for the additional tax.

EFFECTIVE DATE

September 1, 2019.