

BILL ANALYSIS

Senate Research Center

H.B. 2226
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Intergovernmental Relations
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Engrossed

DIGEST AND PURPOSE

Under current law, the chief appraiser of each county is required to prepare and certify the tax roll to the assessor of each taxing unit (unit) annually. The chief appraiser is also required to provide other items of information to each unit necessary for the unit to estimate the total taxable value of property in the unit for the purpose of setting an appropriate tax rate. One such item is an estimate of the value of properties under protest that have not been certified. The sum of the value of the noncertified property under protest and the certified tax roll amount, plus other adjustments, accounts for the value of all taxable property in the taxing unit and this total taxable value is necessary to calculate the unit's effective and rollback tax rate.

In Harris County, because of the delay in certifying property values caused by the large number of land parcels in the county and the frequency of the sale of these parcels, the chief appraiser has established a category of property that is neither certified nor under protest. Such property is omitted from the total taxable value of property within the unit for the purpose of calculating the unit's effective and rollback tax rate, which results in the unit collecting more than the budgeted property tax revenue while avoiding the necessity for a public hearing on their proposed tax rate. H.B. 2226 requires the chief appraiser to prepare and certify to the assessor for each unit a list of those properties of which the chief appraiser has knowledge that are reasonably likely to be taxable by the unit but that are not included on the appraisal roll or listing certified by the assessor.

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 26.01, Tax Code, by amending Subsection (d) and adding Subsection (e), as follows:

(d) Requires the chief appraiser to prepare and certify to the assessor for each taxing unit a certain list of properties. Requires the chief appraiser to include certain information on the list. Requires the assessor for the taxing unit, until the property is added to the appraisal roll, to include each property on the list in the calculations prescribed by Sections 26.04 and 26.041, and for that purpose use the lower market value, appraised value, or taxable value, as appropriate, included on or computed using the information included on the list for the property.

(e) Makes a nonsubstantive change.

SECTION 2. Effective date: January 1, 2002. Makes application of this Act prospective.