

BILL ANALYSIS

Senate Research Center
77R4120 SMH-F

S.B. 862
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DIGEST AND PURPOSE

Currently, a property owner is required to file an application in order to receive certain property tax exemptions, including the freeport exemption, the homestead exemption, and the religious organization exemption. A freeport exemption cannot be granted if an application is filed late, and in such cases, the exemption is forfeited for that year. As proposed, S.B. 862 extends the deadline for a freeport exemption and adds a penalty for the late filing of an application for an exemption.

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 11.251(h), Tax Code, to provide that if a property owner fails to deliver certain information before a certain deadline, the property owner forfeits the right to claim or receive the freeport exemption for that year. Provides that if the property owner delivers certain information before the date the appraisal review board approves the appraisal records but not before the 31st day after the date the notice is delivered to the property owner and the exemption is allowed, the property owner is liable to each taxing unit for a penalty in a certain amount. Requires the chief appraiser to make an entry on the appraisal records for the inventory or property indicating the property owner's liability for the penalty and to deliver a written notice of the imposition of the penalty, explaining the reason for its imposition, to the property owner. Requires the assessor for a taxing unit that taxes the inventory or property to add the amount of the penalty to the property owner's tax bill, and requires the tax collector for the unit to collect the penalty at the time and in the manner the collector collects the tax. Provides that the amount of the penalty constitutes a lien against the inventory or property against which the penalty is imposed, as if it were a tax, and accrues penalty and interest in the same manner as a delinquent tax.

SECTION 2. Amends Section 11.43(e), Tax Code, to prohibit a person required to apply for an exemption in a given year who fails to file timely a completed application form from receiving the exemption for that year, except as provided by Section 11.439.

SECTION 3. Amends Chapter 11C, Tax Code, by adding Section 11.439, as follows:

Sec. 11.439. LATE APPLICATION FOR FREEPORT EXEMPTION. (a) Requires the chief appraiser to accept and approve or deny an application for an exemption for freeport goods under Section 11.251 after the deadline for filing it has passed if it is filed before the date the appraisal review board approves the appraisal records.

(b) Makes the property owner liable, if the application is approved, to each taxing unit for a penalty in a certain amount.

(c) Makes a conforming change.

(d) Makes a conforming change.

SECTION 4. Effective date: September 1, 2001.