

BILL ANALYSIS

Senate Research Center
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S.B. 863
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DIGEST AND PURPOSE

Currently, a taxing unit has no financial incentives to pay refunds promptly since it is able to earn more than eight percent in the marketplace on refunds that it holds. In addition, a taxing unit earns 12 percent on delinquent taxes. Taxing units have been known to hold back refunds for long periods of time, even an entire year, after the refund becomes due. As proposed, S.B. 863 requires a taxing unit to pay taxpayers the same annual rate of interest that it charges a delinquent taxpayer--12 percent--if the taxing unit fails to pay a refund within 60 days after the chief appraiser corrects the appraisal roll. This bill also entitles a property owner to recover court costs and reasonable attorney fees if a taxing unit is delinquent in paying a refund that is due.

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 42.43, Tax Code, by adding Subsections (c) and (d), as follows:

(c) Requires, notwithstanding Subsection (b), that if a taxing unit does not make a refund, including interest, required by this section before the 60th day after the date the chief appraiser corrects the appraisal roll under Section 42.41, the taxing unit must include with the refund interest on the amount refunded at an annual rate of 12 percent, calculated from the delinquency date for the taxes until the date the refund is made.

(d) Provides that a property owner who prevails in a suit to compel a refund, including interest, required by this section that is filed on or after the 180th day after the date the appraisal roll is corrected is entitled to court costs and reasonable attorney's fees.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: upon passage or September 1, 2001.