

BILL ANALYSIS

Senate Research Center
78R8575 RCJ-D

H.B. 3540
By: Chavez (Shapleigh)
Intergovernmental Relations
5/19/2003
Engrossed

DIGEST AND PURPOSE

Under current law, any refund of an erroneous payment or an overpayment of \$500 or more must be approved by the municipal legislative body. The \$500 threshold is currently at a level that many of these type of refunds have to be placed on the city council agenda for approval. This can create administrative burdens and delay in the process of refunding taxpayers.

H.B. 3540 increases the tax overpayment threshold to \$2,500 for jurisdictions that participate in a consolidated tax collection effort.

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 31.11(a), Tax Code, to prohibit a tax collector from making a refund of an overpayment or erroneous payment of ad valorem taxes by a tax collector who performs consolidated tax collection functions unless the governing body of a taxing unit, in the case of a collector who collects taxes for one taxing unit, also determines that the payment was erroneous or excessive and approves the refund if the amount of the refund exceeds \$2,500. Deletes language relating to a governing body of a taxing unit that collects another unit's taxes.

SECTION 2. Effective date: September 1, 2003.
Makes application of this Act prospective.