|  |
| --- |
| BILL ANALYSIS |

|  |
| --- |
| C.S.H.B. 2228 |
| By: Murphy |
| Ways & Means |
| Committee Report (Substituted) |

|  |
| --- |
| **BACKGROUND AND PURPOSE**  Observers contend that there is unnecessary taxpayer confusion regarding the deadlines for the performance of various functions in connection with property taxes. C.S.H.B. 2228 seeks to make the property tax process more efficient and streamlined for taxpayers by changing deadlines for taking certain actions in connection with that process. |
| **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**  C.S.H.B. 2228 amends the Tax Code to change the deadline by which a late application for an exemption from taxation for freeport goods must be filed in order for the chief appraiser to be required to accept and approve or deny the application from before the date the appraisal review board approves the appraisal records to not later than June 15.  C.S.H.B. 2228 changes the application deadline for filing a completed application form for the allocation of a portion of the fair market value of certain taxable items to the state from May 1 to April 1. The bill changes the filing deadline for an allocation application form for property not on the appraisal roll in the preceding year from the 45th day after the date of receipt of the notice of appraised value to the 30th day after that date. The bill changes from a period not to exceed 60 days to a period not to exceed 30 days the period by which the chief appraiser, for good cause shown, is required to extend the allocation application form filing deadline.  C.S.H.B. 2228 requires rendition statements and property reports for property located in an appraisal district in which one or more taxing units exempt property as freeport goods to be delivered to the chief appraiser not later than April 1. The bill requires the chief appraiser, on written request by the property owner, to extend that deadline for filing a rendition statement or property report to May 1 and authorizes the chief appraiser to further extend the deadline an additional 15 days for good cause shown in writing by the property owner. The bill requires rendition statements and property reports for property regulated by the Public Utility Commission of Texas, the Railroad Commission of Texas, the federal Surface Transportation Board, or the Federal Energy Regulatory Commission to be delivered to the chief appraiser not later than April 30, except as provided by statutory provisions relating to rendition of property losing its exemption during the tax year or for which an exemption application is denied. The bill authorizes the chief appraiser to extend the filing deadline 15 days for good cause shown in writing by the property owner.  C.S.H.B. 2228 changes the date by which a property owner initiating a taxpayer protest must file a written notice of the protest with the appraisal review board having authority to hear the matter protested to be entitled to a hearing and determination of a protest from before May 1 or not later than the 30th day after the date that notice to the property owner was delivered to the owner, whichever is later, to before May 15 or not later than the 30th day after the date that notice to the property owner was delivered to the owner, whichever is later. The bill removes language limiting that deadline to a property that is a single-family residence that qualifies for a residence homestead exemption and removes the deadline imposed on such notice in connection with any other property.  C.S.H.B. 2228 repeals Section 41.44(b-1), Tax Code, entitling the owner of a single-family residence that qualifies for a homestead tax exemption who files a notice of taxpayer protest after the deadline but before the appraisal review board approves the appraisal records to a hearing and determination of the protest if the property owner files the notice before June 1. |
| **EFFECTIVE DATE**  January 1, 2018. |
| **COMPARISON OF ORIGINAL AND SUBSTITUTE**  While C.S.H.B. 2228 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill. |
| | INTRODUCED | HOUSE COMMITTEE SUBSTITUTE | | --- | --- | | SECTION 1. Section 11.4391(a), Tax Code, is amended to read as follows:  (a) The chief appraiser shall 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 not later than June 1 [~~before the date the appraisal review board approves the appraisal records~~]. | SECTION 1. Section 11.4391(a), Tax Code, is amended to read as follows:  (a) The chief appraiser shall 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 not later than June 15 [~~before the date the appraisal review board approves the appraisal records~~]. | | SECTION 2. Section 21.09(b), Tax Code, is amended. | SECTION 2. Same as introduced version. | | SECTION 3. Section 22.23, Tax Code, is amended by adding Subsections (c) and (d) to read as follows:  (c) Notwithstanding Subsections (a) and (b), rendition statements and property reports for property located in an appraisal district in which one or more taxing units exempt property under Section 11.251 must be delivered to the chief appraiser not later than April 1. The chief appraiser may extend the filing deadline to not later than May 1 for good cause on written request by the property owner.  (d) Notwithstanding any other provision of this section, rendition statements and property reports for property regulated by the Public Utility Commission of Texas, the Railroad Commission of Texas, the federal Surface Transportation Board, or the Federal Energy Regulatory Commission must be delivered to the chief appraiser not later than April 30, except as provided by Section 22.02. The chief appraiser may extend the filing deadline 15 days for good cause on written request by the property owner. | SECTION 3. Section 22.23, Tax Code, is amended by adding Subsections (c) and (d) to read as follows:  (c) Notwithstanding Subsections (a) and (b), rendition statements and property reports for property located in an appraisal district in which one or more taxing units exempt property under Section 11.251 must be delivered to the chief appraiser not later than April 1. On written request by the property owner, the chief appraiser shall extend the deadline provided by this subsection for filing a rendition statement or property report to May 1. The chief appraiser may further extend the deadline an additional 15 days for good cause shown in writing by the property owner.  (d) Notwithstanding any other provision of this section, rendition statements and property reports for property regulated by the Public Utility Commission of Texas, the Railroad Commission of Texas, the federal Surface Transportation Board, or the Federal Energy Regulatory Commission must be delivered to the chief appraiser not later than April 30, except as provided by Section 22.02. The chief appraiser may extend the filing deadline 15 days for good cause shown in writing by the property owner. | | SECTION 4. Section 41.11(a), Tax Code, is amended. | SECTION 4. Same as introduced version. | | SECTION 5. Sections 41.44(a) and (c), Tax Code, are amended. | SECTION 5. Same as introduced version. | | SECTION 6. Section 41.44(b-1), Tax Code, is repealed. | SECTION 6. Same as introduced version. | | SECTION 7. This Act applies only to ad valorem taxes imposed for a tax year beginning on or after the effective date of this Act. | SECTION 7. Same as introduced version. | | SECTION 8. This Act takes effect January 1, 2018. | SECTION 8. Same as introduced version. | |