

1-1 By: Hinojosa S.B. No. 2242
 1-2 (In the Senate - Filed March 13, 2017; April 4, 2017, read
 1-3 first time and referred to Committee on Finance; April 12, 2017,
 1-4 reported adversely, with favorable Committee Substitute by the
 1-5 following vote: Yeas 14, Nays 0; April 12, 2017, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7 Nelson	X			
1-8 Hinojosa	X			
1-9 Bettencourt	X			
1-10 Birdwell	X			
1-11 Hancock	X			
1-12 Huffman	X			
1-13 Kolthorst	X			
1-14 Nichols	X			
1-15 Schwertner	X			
1-16 Seliger	X			
1-17 Taylor of Galveston	X			
1-18 Uresti	X			
1-19 Watson	X			
1-20 West	X			
1-21 Whitmire			X	

1-23 COMMITTEE SUBSTITUTE FOR S.B. No. 2242 By: Nelson

1-24 A BILL TO BE ENTITLED
 1-25 AN ACT

1-26 relating to the resolution of disputes or errors involving the ad
 1-27 valorem taxation of the same property by multiple taxing units of
 1-28 the same type as a result of disputed, overlapping, or erroneously
 1-29 applied boundaries.

1-30 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-31 SECTION 1. Chapter 72, Local Government Code, is amended by
 1-32 adding Section 72.010 to read as follows:

1-33 Sec. 72.010. SUIT TO ESTABLISH BOUNDARIES OF AND TAXES OWED
 1-34 TO CERTAIN COUNTIES OR TAXING UNITS LOCATED IN THOSE COUNTIES.

1-35 (a) In this section:

1-36 (1) "Like taxing units" means counties or other taxing
 1-37 units that are of the same type as one another and that by law may
 1-38 not include the same geographic territory.

1-39 (2) "Taxing unit" has the meaning assigned by Section
 1-40 1.04, Tax Code.

1-41 (b) This section applies only to:

1-42 (1) Nueces and San Patricio Counties; and

1-43 (2) other taxing units with territory in one or more of
 1-44 those counties.

1-45 (c) If, as a result of disputed, overlapping, or erroneously
 1-46 applied geographic boundaries between like taxing units, multiple
 1-47 like taxing units have imposed ad valorem taxes on the same
 1-48 property, the property owner may file suit in the supreme court to:

1-49 (1) establish the correct geographic boundary between
 1-50 the taxing units; and

1-51 (2) determine the amount of taxes owed on the property
 1-52 and the taxing unit or units to which the taxes are owed.

1-53 (d) The supreme court has original jurisdiction to hear and
 1-54 determine a suit filed under Subsection (c) and may issue
 1-55 injunctive or declaratory relief in connection with the suit.

1-56 (e) The supreme court shall enter a final order determining
 1-57 a suit filed under Subsection (c) not later than the 90th day after
 1-58 the date the suit is filed.

1-59 SECTION 2. Section 25.25, Tax Code, is amended by adding
 1-60 Subsection (p) to read as follows:

2-1 (p) Not later than the 45th day after the date a dispute or
2-2 error described by Section 72.010(c), Local Government Code, is
2-3 resolved by an agreement between the taxing units under Section
2-4 31.112(c) of this code or by a final order of the supreme court
2-5 entered under Section 72.010, Local Government Code, the chief
2-6 appraiser of each applicable appraisal district shall correct the
2-7 appraisal roll and other appropriate records as necessary to
2-8 reflect the agreement or order.

2-9 SECTION 3. Chapter 31, Tax Code, is amended by adding
2-10 Section 31.112 to read as follows:

2-11 Sec. 31.112. REFUNDS OF PAYMENTS MADE TO MULTIPLE LIKE
2-12 TAXING UNITS. (a) In this section, "like taxing units" has the
2-13 meaning assigned by Section 72.010(a), Local Government Code.

2-14 (b) This section applies only to taxing units described by
2-15 Section 72.010(b), Local Government Code.

2-16 (c) Like taxing units to which a property owner has made tax
2-17 payments under protest as a result of a dispute or error described
2-18 by Section 72.010(c), Local Government Code, may enter into an
2-19 agreement to resolve the dispute or error. An agreement under this
2-20 subsection:

2-21 (1) must establish the correct geographic boundary
2-22 between the taxing units;

2-23 (2) may include an allocation between the taxing units
2-24 of all or part of the taxes that were paid under protest before the
2-25 dispute or error was resolved, less any amount that is required to
2-26 be refunded to the property owner;

2-27 (3) must require the taxing units to refund to the
2-28 property owner any amount by which the amount paid by the owner to
2-29 the taxing units exceeds the amount due; and

2-30 (4) must be in writing.

2-31 (d) If a dispute or error described by Section 72.010(c),
2-32 Local Government Code, is resolved by the agreement of the taxing
2-33 units, a refund required by Subsection (c)(3) of this section must
2-34 be made not later than the 90th day after the date on which the
2-35 agreement is made.

2-36 (e) If a dispute or error described by Section 72.010(c),
2-37 Local Government Code, is not resolved by the agreement of the
2-38 taxing units and the supreme court enters a final order in a suit
2-39 under Section 72.010, Local Government Code, determining the amount
2-40 of taxes owed on the property and the taxing unit or units to which
2-41 the taxes are owed, a refund required as a result of the order must
2-42 be made not later than the 180th day after the date the order is
2-43 entered.

2-44 (f) A refund under this section shall be accompanied by:

2-45 (1) a description sufficient to identify the property
2-46 on which the taxes were imposed; and

2-47 (2) the tax account number, if applicable.

2-48 (g) A collector making a refund under this section shall
2-49 notify the auditor of each appropriate taxing unit not later than
2-50 the 30th day after the date the refund is made.

2-51 SECTION 4. Sections 31.12(a) and (b), Tax Code, are amended
2-52 to read as follows:

2-53 (a) If a refund of a tax provided by Section 11.431(b),
2-54 26.07(g), 26.15(f), 31.11, [~~or~~] 31.111, or 31.112 is paid on or
2-55 before the 60th day after the date the liability for the refund
2-56 arises, no interest is due on the amount refunded. If not paid on or
2-57 before that 60th day, the amount of the tax to be refunded accrues
2-58 interest at a rate of one percent for each month or part of a month
2-59 that the refund is unpaid, beginning with the date on which the
2-60 liability for the refund arises.

2-61 (b) For purposes of this section, liability for a refund
2-62 arises:

2-63 (1) if the refund is required by Section 11.431(b), on
2-64 the date the chief appraiser notifies the collector for the unit of
2-65 the approval of the late homestead exemption;

2-66 (2) if the refund is required by Section 26.07(g), on
2-67 the date the results of the election to reduce the tax rate are
2-68 certified;

2-69 (3) if the refund is required by Section 26.15(f):

3-1 (A) for a correction to the tax roll made under
3-2 Section 26.15(b), on the date the change in the tax roll is
3-3 certified to the assessor for the taxing unit under Section 25.25;
3-4 or

3-5 (B) for a correction to the tax roll made under
3-6 Section 26.15(c), on the date the change in the tax roll is ordered
3-7 by the governing body of the taxing unit;

3-8 (4) if the refund is required by Section 31.11, on the
3-9 date the auditor for the taxing unit determines that the payment was
3-10 erroneous or excessive or, if the amount of the refund exceeds the
3-11 applicable amount specified by Section 31.11(a), on the date the
3-12 governing body of the unit approves the refund; [~~or~~]

3-13 (5) if the refund is required by Section 31.111, on the
3-14 date the collector for the taxing unit determines that the payment
3-15 was erroneous; or

3-16 (6) if the refund is required by Section 31.112, on the
3-17 date required by Section 31.112(d) or (e), as applicable.

3-18 SECTION 5. Subchapter E, Chapter 42, Education Code, is
3-19 amended by adding Section 42.2532 to read as follows:

3-20 Sec. 42.2532. ADJUSTMENT FOR RESOLUTION OF DISPUTE OR ERROR
3-21 RESULTING IN TAXATION OF SAME PROPERTY BY MULTIPLE SCHOOL
3-22 DISTRICTS. The commissioner shall adjust the amounts due to a
3-23 school district under this chapter and Chapter 46 as necessary to
3-24 account for the resolution of a dispute or error involving the
3-25 district and another district by an agreement between the districts
3-26 entered into under Section 31.112(c), Tax Code, or by a final order
3-27 of the supreme court entered under Section 72.010, Local Government
3-28 Code.

3-29 SECTION 6. The changes in law made by this Act apply to ad
3-30 valorem taxes imposed for a tax year beginning before, on, or after
3-31 the effective date of this Act.

3-32 SECTION 7. This Act takes effect immediately if it receives
3-33 a vote of two-thirds of all the members elected to each house, as
3-34 provided by Section 39, Article III, Texas Constitution. If this
3-35 Act does not receive the vote necessary for immediate effect, this
3-36 Act takes effect September 1, 2017.

3-37 * * * * *