

BILL ANALYSIS

S.B. 1088
By: Creighton
Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Requiring real property owners to provide a copy of an appraised value notice is beneficial for lessees who may want to appeal the value, especially given the material cost at issue for such assessments. The requirement is a relatively minor burden on property owners as these leases typically involve a single lessee per parcel. For the personal property leasing industry, however, one notice typically contains assets leased by multiple non-related taxpayers. In fact, it is possible to have up to several thousand separate lessees on a single notice. This is often the case when leasing assets such as vehicles, computer hardware, fitness equipment, and propane tanks. To comply with the notice requirement, property owners must provide every lessee a copy of the notice that is specific to that lessee's asset. However, the notices themselves do not contain the information necessary for personal property lessees to make an appeal decision. The work papers for each asset are needed first, though property owners typically cannot obtain those for a month or two after the notice is received. Property owners then must reconcile the work papers back to the notice on a per asset basis and again distribute to all lessees, redacting each accordingly.

While requiring owners of real property to distribute a notice of assessment to a single lessee makes sense, requiring owners of personal property to distribute a notice to hundreds or thousands of lessees, who are also less likely to appeal, is not productive and is incredibly burdensome. S.B. 1088 seeks to exclude personal property lessors from the requirement to provide notices of appraised value to individual lessees by making the requirement applicable only to lessors of real property.

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

S.B. 1088 amends the Tax Code to restrict to the owner of real property the applicability of the requirement for a property owner to send a person leasing the property who is obligated to reimburse the property owner for taxes imposed on the property a copy of any notice of appraised value of the property received by the property owner.

EFFECTIVE DATE

September 1, 2021.