

- SUBJECT:** Limiting required notices to lessees about property value to real property
- COMMITTEE:** Ways and Means — favorable, without amendment
- VOTE:** 10 ayes — Meyer, Thierry, Button, Cole, Guerra, Murphy, Noble, Rodriguez, Sanford, Shine
- 0 nays
- 1 absent — Martinez Fischer
- SENATE VOTE:** On final passage, April 29 — 31-0, on Local and Uncontested Calendar
- WITNESSES:** No public hearing.
- BACKGROUND:** Under Property Tax Code sec. 41.413, persons who lease tangible or real property and who are obligated under a contract with the property owner for taxes on the property are entitled to protest the appraised value of the property if the owner does not.
- Under sec. 41.413(d), property owners are required to send to a person leasing property who is paying the taxes a copy of any notice of appraised value of the property received by the property owner.
- Under sec. 41.413(e), a person leasing property under a contract described above may request that the chief appraiser of the appraisal district send the notice of appraised value.
- Concerns have been raised that it is burdensome to require personal property owners to provide the notice of the appraised value of the tangible property such as vehicles, computer hardware, and fitness equipment to those leasing the property since these individuals are unlikely to protest the appraised value. Some have called for the notice requirements to be applicable only to lessors of real property.
- DIGEST:** SB 1088 would restrict to owners of real property the current provisions in

SB 1088
House Research Organization
page 2

Property Tax Code sec. 41.413 that require owners of property to send notices of appraised value to persons leasing the property who have agreed in a contract to reimburse the property owner for taxes.

The bill would take effect September 1, 2021, and would apply only to notices of appraised value received by a property owner on or after that date.

NOTES:

The House companion bill, HB 3193 by Shine, was considered by the House Ways and Means Committee in a public hearing on April 12 and left pending.