

BILL ANALYSIS

Senate Research Center

H.B. 51
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Intergovernmental Relations
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Engrossed

DIGEST

Currently, Boulder County, Colorado, employs a system whereby senior taxpayers can earn back a portion of their property tax bills by working on a temporary basis in county offices. This gives the senior citizens an option to use their skills to perform services in the event that they cannot pay their property taxes. H.B. 51 would authorize a taxing unit to permit certain persons to perform services for the taxing unit in lieu of paying ad valorem taxes owed to the unit.

PURPOSE

As proposed, H.B. 51 authorizes a taxing unit to permit certain persons to perform services for the taxing unit in lieu of paying ad valorem taxes owed to the unit.

RULEMAKING AUTHORITY

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 31, Tax Code, by adding Section 31.035, as follows:

Sec. 31.035. PERFORMANCE OF SERVICE IN LIEU OF PAYMENT OF TAXES ON HOMESTEAD OF ELDERLY PERSON. (a) Authorizes the governing body of a taxing unit to permit an individual who is at least 65 years of age to perform service for the taxing unit in place of paying the property tax owed on property owned by the individual and used as their residence.

(b) Requires the governing body of the taxing unit to determine both the number of property owners who are permitted to perform service in place of paying property tax and the maximum number of hours of service that a property owner may perform.

(c) Requires the governing body to require the property owner to execute a contract with the taxing unit before the delinquency date. Requires the contract to specify the nature of the service to be performed, the facility or location where the service will be performed, the number of hours of service, and when the service is to be performed. The contract must also set out provisions addressed in Subsections (d), (e), and (f).

(d) Provides that each hour of service equals a credit against the taxes owed in the amount of one hour's work at the federal hourly minimum wage rate. Requires the service to be performed within one year after the delinquency date.

(e) Provides that owed taxes are not considered delinquent on the delinquency date while the contract is in effect and are considered paid when the service is performed. Requires the taxing unit to terminate the contract and notify the property owner of the termination, if the property owner fails to perform the service or if the taxing unit determines the service unsatisfactory. Provides that unpaid taxes for which the property owner was to receive credit under the contract, but did not perform service for prior to termination, become delinquent and incur penalty and interest provided by Section 33.01 (Penalties and Interest), after either the delinquency date otherwise provided by this chapter for the unpaid taxes, or the first day of the next calendar month that begins at least 21 days after the date the taxing unit delivers notification of contract

termination to the property owner, whichever is later.

(f) Provides that, while performing services for a taxing unit, the property owner is not an employee of the taxing unit and is not entitled to any benefit provided by the taxing unit for its employees.

(g) Provides that the services performed only supplement or complement those of the regular personnel of the taxing unit. Prohibits any reduction of hours or termination of positions of regular personnel of the tax unit because of the property owner's services.

(h) Provides that the person performing the service for a taxing unit is not entitled to be indemnified by the taxing unit for any damage sustained or liability incurred while performing services. Provides that the taxing unit is not liable for damages arising from an act or omission of the person performing services under this section.

SECTION 2. Amends Chapter 31, Tax Code, by adding Sections 31.036 and 31.037, as follows:

Sec. 31.036. PERFORMANCE OF TEACHING SERVICES IN LIEU OF PAYMENT OF SCHOOL TAXES ON HOMESTEAD. Authorizes a governing body of a school district to permit qualified individuals to perform teaching services in lieu of paying certain taxes. Sets forth requirements for the governing body to determine. Requires the body to require each qualified individual to execute a contract and specifies requirements for the contract. Entitles the individual to certain tax credits, but not for teaching more than two courses in any school year. Requires the district to terminate the contract under certain circumstances. Authorizes the district to grant a portion of the credit under a termination. Establishes that the individual is not a district employee or entitled to certain benefits. Sets forth qualifications for a person to be considered a qualified individual.

Sec. 31.037. PERFORMANCE OF TEACHING SERVICES BY EMPLOYEE IN LIEU OF PAYMENT OF SCHOOL TAXES ON PROPERTY OF BUSINESS ENTITY. Authorizes the body to authorize a corporation or other business entity to permit a qualified person to teach in lieu of paying certain taxes. Sets forth determinations that the governing body of the school district should undertake. Sets forth policies and procedures for permitting the person to teach at a school as a qualified individual. Makes conforming changes.

SECTION 3 . Amends Section 42.302, Education Code, by adding Subsection (c), to provide that school district taxes for which credit is granted under certain sections of the Tax Code are considered taxes collected by the school district as if the taxes were paid when the credit for the taxes was granted.

SECTION 3. Emergency clause.
Effective date: upon passage.