

CHAPTER 112

S.B. No. 506

AN ACT

relating to the payment of interest on certain refunds of property tax payments.

Be it enacted by the Legislature of the State of Texas:

SECTION 1. Chapter 31, Tax Code, as amended, is amended by adding Section 31.12 to read as follows:

Sec. 31.12. PAYMENT OF TAX REFUNDS; INTEREST. (a) If a refund of a tax provided by Section 11.431(b), 26.07(g), 26.15(f), 31.11, or 42.43 of this code is paid on or before the 60th day after the date the liability for the refund arises, no interest is due on the amount refunded. If not paid on or before that 60th day, the amount of the tax to be refunded accrues interest at a rate of one percent for each month or part of a month that the refund is unpaid, beginning with the date on which the liability for the refund arises.

(b) For purposes of this section, liability for a refund arises:

(1) if the refund is required by Section 11.431(b) of this code, on the date the chief appraiser notifies the collector for the unit of the approval of the late homestead exemption;

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

(3) if the refund is required by Section 26.15(f) of this code:

(A) for a correction to the tax roll made under Section 26.15(b) of this code, on the date the change in the tax roll is certified to the assessor for the taxing unit under Section 25.25 of this code; or

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

(4) if the refund is required by Section 31.11 of this code, on the date the auditor for the taxing unit or, if the amount of the refund exceeds \$500, the governing body of the unit determines that the payment was erroneous or excessive; or

(5) if the refund is required by Section 42.43 of this code, on the date the determination of the appeal becomes final.

(c) This section does not apply to a refund in an amount less than \$5.

SECTION 2. This Act takes effect September 1, 1987, and applies only to a refund the liability for which arises on or after that date. A refund for which the liability arose before the effective date of this Act is governed by the law in effect when the liability arose, and the former law is continued in effect for that purpose.

SECTION 3. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the

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constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended.

Passed the Senate on March 26, 1987, by the following vote: Yeas 30, Nays 0; and that the Senate concurred in House amendment on May 1, 1987, by a viva-voce vote.

Passed the House, with amendment, on April 30, 1987, by a non-record vote.

Approved May 19, 1987.

Effective Sept. 1, 1987.