

The Senate of The State of Texas



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OPINION COMMITTEE

TROY FRASER

FILE # MC-44211-05

I.D. # 044211

May 6, 2005

The Honorable Gregg Abbott
Attorney General, State of Texas
P.O. Box 12548
Austin, TX 78711-2548

RQ-0344-GA

Dear General Abbott,

On behalf of the Board of Trustees of the Killeen Independent School District (KISD) and the Superintendent of Schools, I respectfully ask that you review their enclosed request for assistance. At issue is clarification of Opinion GA-0225 regarding when discounts for early payment of taxes may be allowed or not allowed.

With new property tax appraisals currently in the mail and budgets being computed this is a particularly timely request. Anything you can do to expedite the opinion would be greatly appreciated.

Sincerely,

A handwritten signature in cursive script that reads "Troy Fraser".

Troy Fraser
Chairman

TF/jb





KILLEEN INDEPENDENT SCHOOL DISTRICT

P. O. Box 967 • 200 NORTH W. S. YOUNG DRIVE • KILLEEN, TEXAS 76540-0967
254/501-0000

Jim Hawkins, Ph.D.
Superintendent of Schools

May 5, 2005

Honorable Troy Fraser
1920 North Main, Suite 101
Belton, Texas 76513

Re: Whether a school district may offer an early payment discount to its taxpayers if the school district has contracted with a tax appraisal district for tax collection services

Dear Sir:

The Killeen Independent School District has contracted with the Bell County Tax Appraisal District for the collection of property taxes from its taxpayers. The District offers discounts for the payment of said taxes in accordance with Section 31.05 of the Tax Code.

On August 3, 2004, the Attorney General rendered a decision in Opinion No. GA-0225 regarding whether or not a school district could offer discounts for early payment when the district had contracted with a county for the collection services and the county had discontinued early payment discounts. His decision indicates that a school district may not offer an early payment discount if the district contracts with a county for collection services and the county does not offer discounts.

Section 31.05(a) of the Tax Code provides that "The governing body of a taxing unit that collects its own taxes may adopt the discounts provided by Subsection (b) or Subsection (c) of this section, or both, in the manner required by law for official action by the body. The discounts, if adopted, apply to taxes for a taxing unit for which the adopting taxing unit collects taxes if the government body of the other unit, in the manner required by law for official action by the body, adopted the discounts or approves of their application to its taxes by the collecting unit..."

Because a tax appraisal district is not a "taxing unit," Section 31.05 of the Tax Code should not prohibit the District from offering discounts to its taxpayers.

Please assist us in obtaining a clarification on whether a school district may offer an early payment discount to its taxpayers if the school district has contracted with a tax appraisal district for tax collection services.

Thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Hawkins".

Jim Hawkins, Ph.D.
Superintendent of Schools
Killeen Independent School District