

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

May 14, 2003

TO: Honorable Teel Bivins, Chair, Senate Committee on Finance

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB703 by Solomons (Relating to the property tax appraisal of property located in more than one appraisal district.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

The bill would require chief appraisers who appraise the same property in a taxing unit with territory in two or more counties to use the lowest appraised value for that property as determined by any of the chief appraisers. Also, any value reduction as a result of a protest or appeal in any of the appraisal districts would result in a value reduction in all appraisal districts.

Currently, when a taxing unit extends into more than one county, it could have a single appraisal district appraise all the property within its boundaries. In such circumstances, a taxpayer's property could be appraised by one appraisal district on behalf of the overlapping unit and by another on behalf of other jurisdictions.

The Tax Code currently requires chief appraisers with overlapping taxing units to enter into a written understanding to share appraisal information of properties within overlapping units and to coordinate appraisal records and appraisal activities to appraise the same property appraised by each district at the same value.

By requiring the use of the lowest of two or more appraisals for use within overlapping taxing units, the bill could cause a reduction in taxable value in those overlapping districts, depending on future appraised values and the agreements made by chief appraisers under current law.

Section 403.302 of the Government Code requires the Comptroller to conduct a property value study to determine the total taxable value for each school district. Total taxable value is an element in the state's school funding formula. Passage of this bill could reduce school district taxable values reported to the Commissioner of Education by the Comptroller and increase costs to the Foundation School Fund.

Local Government Impact

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Source Agencies: 304 Comptroller of Public Accounts

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