

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

May 31, 2003

TO: Honorable David Dewhurst , Lieutenant Governor, Senate
Honorable Tom Craddick, Speaker of the House, House of Representatives

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB1082 by Talton (Relating to the appraisal of property by appraisal districts.), **Conference Committee Report**

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| No significant fiscal implication to the State is anticipated. |
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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. By requiring the use of the lowest of two or more appraisals for use within overlapping taxing units, this provision could cause a reduction in taxable value in overlapping districts, depending on future appraised values and the agreements made by chief appraisers under current law.

This bill would allow a protesting party to establish that the appraised value is greater than the median appraised value. In addition, the bill would require a district court to grant relief (reduce property values) for unequal appraisal, or if the appraised value of the property exceed the median appraised value of a reasonable number of comparable properties. These provisions would provide a new basis for property owner relief (reduced property values) in an ARB appeal and before district court. As a result these provisions could impact taxable property values.

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

By requiring the use of the lowest of two or more appraisals for use within overlapping taxing units, this 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.

Passage of the provisions providing a new basis for property owner relief in an ARB appeal and before district court, could cause a change in taxable property values. However, no significant fiscal implication to units of local government is anticipated.

Source Agencies: 212 Office of Court Administration, Texas Judicial Council, 304 Comptroller of Public Accounts

LBB Staff: JK, SD, DLBe