

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 2, 2003

TO: Honorable Fred Hill, Chair, House Committee on Local Government Ways and Means

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB1082 by Talton (Relating to remedies for the unequal appraisal of property by an appraisal district.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would allow taxpayers to argue before the appraisal review board (ARB) that the appraised value of their property was greater than the median appraised value of a reasonable number of comparable properties. The bill would also shift the burden of proof at the ARB level from the appraisal district to the taxpayer. In addition, the bill would require a district court to grant relief (reduce property values) for unequal appraisal, if the appraisal ratio of the property exceeded by at least 10 percent the median level of a sample of properties in the appraisal district, or if the appraised value of the property exceed the median appraised value of a reasonable number of comparable properties.

The bill would provide a new basis for property owner relief (reduced property values) in an ARB appeal and before district court. It also would shift the burden of proof to the taxpayer at the ARB level. As a result the bill 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 cause a change in school district taxable values reported to the Commissioner of Education by the Comptroller and affect the cost to the Foundation School Fund. However, no significant fiscal implication to the State or units of local government is anticipated.

Local Government Impact

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, WP, DLBe