

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 28, 2003

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

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB1460 by Eiland (Relating to the appraisal of real property for ad valorem tax purposes.),
Committee Report 1st House, Substituted

The bill would add requirements for appraising real property using the income method of appraisal.

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 may result in a change in school district taxable values reported to the Commissioner of Education by the Comptroller and impact costs to the Foundation School Fund. To the extent that the application of additional requirements resulted in higher property value appraisals, total tax levies to units of local government would increase and the State would realize related savings to the Foundation School Fund.

Local Government Impact

To the extent that the application of the additional requirements resulted in higher property value appraisals, total tax levies to units of local government would increase.

Source Agencies:

LBB Staff: JK, SD, WP, DLBe