

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

May 6, 2003

TO: Honorable Frank Madla, Chair, Senate Committee on Intergovernmental Relations

FROM: John Keel, Director, Legislative Budget Board

IN RE: SB1455 by Zaffirini (Relating to the award of attorney's fees to an appraisal district, an appraisal review board, or a chief appraiser that prevails in certain ad valorem tax appeals to a court.), **As Introduced**

No fiscal implication to the State is anticipated.

The bill would authorize district courts to award a prevailing appraisal district, appraisal review board, or chief appraiser reasonable attorney's fees in lawsuits involving excessive or unequal appraisal. Currently, only taxpayers who are successful in district court lawsuits are entitled to an award of attorney's fees, but the appraisers are not. These fees would not change taxable property values reported by the Comptroller to the Commissioner of Education, therefore no impact to the State is anticipated.

Local Government Impact

Passage of the bill may result in the awarding of attorney's fees to local appraisal districts for appeals filed on or after the bill's effective date. The fiscal impact would vary depending on the number of cases and the fees involved, but the impact would be positive.

The Comptroller's *Appraisal District Operations Report, 2001 and 2002 Data* contains information reported by appraisal districts through an annual questionnaire prepared by the Comptroller's Property Tax Division. Of the 253 appraisal districts, 106 reported 2,400 taxpayer lawsuits filed in 2001, involving approximately \$22 billion in appraised value. Seventy-one of the 253 appraisal districts reported 1,361 lawsuits for all tax years settled in 2001.

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

LBB Staff: JK, DLBa, WP, DLBe