

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION**

**April 26, 2005**

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

**FROM:** John S. O'Brien, Deputy Director, Legislative Budget Board

**IN RE: HB2326** by Villarreal (Relating to the appraisal for ad valorem tax purposes of property located in more than one appraisal district.), **As Introduced**

<b>No significant fiscal implication to the State is anticipated.</b>
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The bill would make the appraisal district's boundaries the same as the county's boundaries, without exception. A taxing unit with territory in several counties would have its property valued by the respective appraisal districts within each county. The bill would allow a transition to county line appraisal district boundaries relative to consolidated appraisal district boards, taxing unit voting entitlement, and consolidated appraisal district budgets.

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. Since the bill would not change school districts taxable property value, there would no change to the Foundation School Fund costs.

Currently, taxable property values for most school districts are determined by one appraisal district. Under this bill, taxable property values for several school districts would be determined by more than one appraisal district. As a result, the Comptroller's office would have to analyze significantly more data to complete the property value study. The Comptroller's office estimate that the additional administrative costs would be \$877,523 in fiscal year 2006 and \$812,648 each year for fiscal year 2007 to 2010.

**Local Government Impact**

Some taxing units could experience additional appraisal costs or savings if there were budget differences between or among adjacent appraisal districts. Statewide, passage of the bill could result in an aggregate savings to taxing units, because some property in the state would no longer be subject to multiple appraisals.

**Source Agencies:** 304 Comptroller of Public Accounts, 701 Central Education Agency

**LBB Staff:** JOB, SD, WP, DLBe