

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

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**

**April 12, 2007**

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

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

**IN RE: HB3412** by Gattis (Relating to the award of attorney's fees in a judicial appeal of certain ad valorem tax determinations.), **As Introduced**

**No fiscal implication to the State is anticipated.**

This bill would amend Section 42.29 of the Tax Code to allow a district court to award a property owner reasonable attorney's fees without statutory limits. The bill would also amend Section 42.225 to allow the award of reasonable attorney's fees to a property owner without limits on district court cases following district court arbitration.

Current law limits attorney's fees to a prevailing property owner in district court to an amount not to exceed the greater of:

- (1) \$15,000, or
- (2) 20 percent of the total amount by which the property owner's tax liability was reduced by the court.

The amount of attorney's fees may not exceed the lesser of:

- (1) \$100,000, or
- (2) the amount by which the property owner's tax liability was reduced by the court.

Because the state is constitutionally prohibited from imposing a state property tax, there would be no direct fiscal impact on the state.

**Local Government Impact**

Passage of the bill could result in an undetermined amount of additional costs to appraisal districts, via the funding taxing units. The amount of additional costs would depend on the volume and number of cases and the value amounts in controversy in which a property owner prevailed in district court, and individual court discretion.

**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** JOB, CT, SD, SJS