

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 8, 2007

TO: Honorable Steve Ogden, Chair, Senate Committee on Finance

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

IN RE: HB3493 by Otto (Relating to the regulation of property tax professionals and appraisal review boards.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3493, As Engrossed: an impact of \$0 through the biennium ending August 31, 2009.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2008	\$0
2009	\$0
2010	\$0
2011	\$0
2012	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from GENERAL REVENUE FUND 1	Probable Revenue Gain from GENERAL REVENUE FUND 1	Probable Savings/(Cost) from County Appraisal Districts
2008	(\$4,000)	\$4,000	(\$126,500)
2009	(\$4,000)	\$4,000	(\$126,500)
2010	(\$4,000)	\$4,000	(\$126,500)
2011	(\$4,000)	\$4,000	(\$126,500)
2012	(\$4,000)	\$4,000	(\$126,500)

Fiscal Analysis

The bill would amend Chapter 1151 of the Occupations Code and Chapter 5 of the Tax Code relating to the regulation and training of property tax professionals and appraisal review boards.

The bill would amend Section 1151.051 of the Occupations Code to expand membership of the Board of Tax Professional Examiners from five to seven members. Four members would be active, certified tax professionals with at least five years of professional experience. Three members would represent the public. The Comptroller would serve on the board in a nonvoting advisory capacity. The bill would require the Governor, with the advice and consent of the Senate, to appoint two members representing the general public to the Board of Tax Professional Examiners.

The bill would establish continuing education standards for chief appraisers and property tax appraisers. In addition, the bill would amend Section 5.041 of the Tax Code to require the Comptroller to provide a course, of not less than eight hours of length, for new appraisal review board members, and a continuing education course, not less than four hours in length, for continuing members. The Comptroller could contract with service providers to provide the training and could assess a fee to recover a portion of the costs incurred, not to exceed \$25 per person trained.

The bill would take effect September 1, 2007.

Methodology

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

According to the Board of Tax Professional Examiners, two new public Board Members would cost \$4,000 annually for increased travel expenses to attend quarterly board meetings in Austin. This analysis assumes that this increased cost resulting from the bill would be offset by an increase in fee generated revenue.

Costs to the Comptroller and the related fees to cover their costs are not reflected in this analysis. They are not expected to have a significant fiscal implication.

Local Government Impact

Some appraisal districts would incur additional resource needs because of the additional duties and responsibilities that would be required by the bill. For illustrative purposes, costs to County Appraisal Districts (CADs) for 16 hours of annual chief appraiser training would be \$500 per CAD to attend the two days of additional training. With 253 appraisal districts this is a cost of \$126,500 annually.

Source Agencies: 304 Comptroller of Public Accounts, 337 Board of Tax Professional Examiners

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