

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 30, 2009

TO: Honorable David Dewhurst , Lieutenant Governor, Senate
Honorable Joe Straus, Speaker of the House, House of Representatives

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

IN RE: HB1030 by Callegari (Relating to ad valorem taxation.), **Conference Committee Report**

No fiscal implication to the State is anticipated.

The bill would amend Section 1.111 of the Tax Code to permit an individual that is exempt from registration as a property tax consultant or a senior property tax consultant under Section 1152.002 of the Occupations Code, that files a protest on behalf of a property owner to be entitled to all notices from the appraisal district regarding the property or properties subject to that protest until revoked by the individual or the property owner.

The bill would amend Section 41.415, Tax Code, to require an appraisal district established for a county with a population of 500,000 or more to implement a system that allows a property owner to electronically file a notice of protest with the appraisal review board and to receive communications from the district, including evidence that the chief appraiser intends to use at the protest hearing. To be eligible, the property owner must have been granted a residential homestead exemption during the current tax year. The changes to this section would apply only to a tax year that begins on or after the effective date of the bill and would take effect January 1, 2010.

The bill would amend Section 41.45, Tax Code, to require an appraisal review board to reschedule an appraisal appeals hearing when a property owner who has not designated an agent fails to appear at the hearing, if the property owner meets certain criteria. The proposed change in law would apply only to a postponement of a hearing that is requested on or after the effective date of the bill.

The bill would amend Section 42.29, Tax Code, regarding judicial review of property appraisals. The bill would allow the recovery of attorney's fees to a property owner who prevails in matters appealed to a district court concerning issues brought before the appraisal review board as described in Section 25.25 of the Tax Code. Such issues include the correction of clerical errors, multiple appraisals in a tax year, the inclusion of property that does not exist, and an error that resulted in an appraised value that exceeds by more than one-third the correct appraised value. The change to this section would apply only to an appeal under Chapter 42, Tax Code, of a determination of an appraisal review board that is filed on or after the effective date of the bill.

The bill would take effect immediately if it were to receive the required two-thirds vote in each house; otherwise, it would take effect September 1, 2009.

Local Government Impact

The majority of the provisions of the bill would have no fiscal impact or no significant fiscal impact to units of local government. The proposed changes to Chapter 42, Tax Code, would not affect appraised values or tax rates, but could result in additional administrative costs to the appraisal districts. The increase in administrative costs cannot be estimated because the awards of attorney's fees would be up to the discretion of the district courts.

Source Agencies:

LBB Staff: JOB, DB