

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION**

**April 1, 2009**

**TO:** Honorable Rene Oliveira, Chair, House Committee on Ways & Means

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

**IN RE: HB3010** by Coleman (Relating to the authority of a chief appraiser to audit a rendition statement or property report delivered to the chief appraiser.), **As Introduced**

**Passage of the bill would likely result in an appraisal roll increase from omitted and undervalued property discovered by appraisal district examinations. As a result, taxable property values would be increased and the related costs to the Foundation School Fund would be decreased.**

The bill would amend Chapter 22 of the Tax Code to allow chief appraisers to audit personal property rendition reports submitted by property owners.

The bill would allow chief appraisers or their designees to examine financial records to verify the accuracy of property rendition reports. If omitted or undervalued taxable property for the current or previous five years is discovered during the course of the audit, the chief appraiser would add the value to the appraisal roll. The chief appraiser would be limited to conducting audits of a property owner to once every three years except when omitted or undervalued taxable property is discovered. In these instances, the chief appraiser could conduct an audit the following year. The chief appraiser could not employ anyone on a contingency fee basis to conduct the audits.

Under the bill, financial records received by the chief appraiser during the course of the audit would be confidential to the same degree as renditions.

The taxpayer audits that would be authorized by this bill would likely result in an appraisal roll increase from omitted and under valued property. This would result in gains to local taxing units and the state. However, at present, information on applicable property sufficiently detailed to prepare a reliable fiscal impact is not available.

The stated effective date in the bill is January 1, 2008.

**Local Government Impact**

Passage of the bill would likely result in an appraisal roll increase from omitted and undervalued property discovered by appraisal district examinations. As a result, taxable property values and the related ad valorem tax revenue for units of local government would be increased.

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

**LBB Staff:** JOB, MN, DB, SJS