

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

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

**May 3, 2009**

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

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

**IN RE: HB4040** by Villarreal (Relating to procedural requirements of an appeal from an order of an appraisal review board determining a protest.), **As Introduced**

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

The bill would amend Chapter 42 of the Tax Code, regarding the judicial review of property appraisals.

The bill would extend the number of days within which a party must file a district court appeal of an appraisal review board order from 45 to 60 days after the party received notice that a final order is entered. The bill would permit a party to file the appeal before the final appraisal review board order is issued. The bill would allow a petition for review to include more than one party and more than one property if the parties or properties have common ownership in whole or in part.

The bill would require a court to give preference to the use of a master in chancery (master) to resolve an appeal. If the appeal concerns excessive appraisal or unequal appraisal, the bill would require the court to appoint a master if requested by one of the parties. The bill would set out the duties and eligibility requirements for masters. The bill would specify that a decision of a master is not binding on the parties but may be admitted into evidence in a trial. The bill would require that a district court include in a docket control order a requirement of alternative dispute resolution unless waived by both parties.

The bill would also require that for the purpose of determining the remedy for unequal appraisal under Section 42.26, the appraised value of the subject property and the comparable property or sample property used for comparison is the appraised value determined by the appraisal review board unless the property is a residence homestead subject to the limitation on appraised value imposed by Section 23.23.

The bill would make procedural changes related to appeals of appraisal review board orders to district courts. Since these changes would not affect tax rates and would not materially affect statewide taxable values, the bill would not have a significant fiscal impact on the state or local taxing units.

The bill would take effect immediately upon enactment, assuming that it received the requisite two-thirds majority votes in both houses of the Legislature. Otherwise, it would take effect September 1, 2009.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

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

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