

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 10, 2009

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

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

IN RE: SB873 by Harris (Relating to a requirement that certain appraisal districts provide for electronic filing of and electronic communications regarding a protest of appraised value by the owner of a residence homestead.), **Committee Report 1st House, Substituted**

No fiscal implication to the State is anticipated.

The bill would amend Chapter 41 of the Tax Code, to impose certain requirements on an appraisal district that maintained an Internet website on January 1, 2008 or established or establishes a website after that date. The appraisal district would be required to implement an electronic system through the website that would allow a property owner who is granted a residence homestead exemption for the property for the current tax year to file a protest notice; to receive and review comparable sales data and other evidence that the chief appraiser intends to use at the protest hearing; and as applicable, to receive a settlement offer, notice that a settlement offer will not be made, and to accept or reject a settlement offer made by the district.

A chief appraiser would be required to include information about and instructions for use of the system when sending an appraisal notice to eligible property owners. Required procedures for electronically filed protests are included within provisions of the bill.

An appraisal district would not be required to make the system available to an owner of a residence homestead located in an area in which the chief appraiser determines that the factors affecting the market value of real property are unusually complex.

An appraisal district established for a county having a population of 250,000 or less is not required to implement the electronic system before January 1, 2013.

The requirements of the bill would apply only to a tax year that begins on or after the effective date of the bill, which would be January 1, 2011.

Local Government Impact

According to the Texas Association of Appraisal Districts, 25 to 30 of the largest appraisal districts in the state have websites and some have initiated on-line filings and others are preparing to do so; therefore, the provisions of the bill would not have a fiscal impact on those districts. A district that has a website but has not established or begun to establish a system as described in the bill, there would be initial costs that would vary by district. However, it is anticipated that those costs would be somewhat offset by savings realized through online operations. There would be a savings in subsequent years. No significant fiscal impact is anticipated as a result of adding to an appraisal notice information about a website system.

Source Agencies:

LBB Staff: JOB, MN, DB