

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 1, 2009

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

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

IN RE: SB1497 by Williams (Relating to binding arbitration of certain appraisal review board orders.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would amend Chapter 41A of the Tax Code regarding the appeal of an appraisal through binding arbitration. The bill would allow binding arbitration for property owners concerning the appraised or market value of property if the property qualifies as the owner's residence and is appraised greater than or less than \$1 million. The bill would require a property owner to file an appeal with the appraisal district not later than 45 days after the appraisal notice is received and pay an arbitration fee to the Comptroller of Public Accounts in the amount of \$500 for an existing arbitration, or \$250 for an expedited arbitration as defined by the provisions of the bill. The bill would require the Comptroller to adopt rules and processes regarding an expedited arbitration, and the evidence required by each party.

The bill would add a continuing education requirement for arbitrators and would require them to renew their arbitration service agreement with the Comptroller on or as near as possible to the date on which the person's license or certification issued under Chapters 901, 1101, or 1103 of the Occupations Code, is renewed. The bill would add the requirement that an arbitrator in an appeal regarding property other than real property to be licensed as a certified public accountant. If an arbitrator fails to renew an agreement, the Comptroller would be required to remove the person from the arbitration registry.

The Comptroller of Public Accounts noted that while the bill would expand and modify the current binding arbitration process for taxpayers who are dissatisfied with the results of appraisal review board hearings, it would not directly affect property values, exemptions, or property tax rates.

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 fiscal impact could be significant, but would vary by appraisal district depending on the number of properties contained within the district, and the number of appeals filed within a district.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, MN, SD, TP