

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

Revision 1

April 13, 2011

TO: Honorable Harvey Hilderbran, Chair, House Committee on Ways & Means

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

IN RE: HB1435 by Elkins (Relating to the participation by a taxing unit in a suit to compel an appraisal review board to order a change in an appraisal roll.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend Section 25.25, Tax Code, regarding property taxation, to prohibit a taxing unit from being made a party to a suit filed by a property owner or chief appraiser to compel an Appraisal Review Board (ARB) to order an appraisal roll change.

The bill also would require that, if a hearing to review and determine compliance with Section 42.08 of the Tax Code is requested, the party moving to compel the ARB to order an appraisal roll change would be required to mail notice of the hearing by certified mail, return receipt requested, to the collector for each taxing unit that imposes taxes on the property not later than the 45th day before the date of the hearing. Under current law, Section 42.08 of the Tax Code provides procedures for a property owner to pay by the delinquency date the lesser of the nondisputed taxes or the taxes due under the ARB order from which the court appeal is made.

Whether or not the collector for the taxing unit receives the notice required under the bill, a taxing unit that imposes taxes on the property would be permitted to intervene in the suit and participate in the proceedings for the limited purpose of determining whether the property owner has complied with Section 42.08. The taxing unit would be entitled to process for witnesses and evidence and to be heard by the court.

The bill would change certain procedures related to Appraisal Review Board hearings and lawsuits filed by taxpayers or chief appraisers and in some instances appraisal roll value changes may be made at an earlier date. The number and amount of future appraisal roll changes that would occur earlier are unknown. Consequently, the fiscal impact cannot be estimated, however the impact is not expected to be significant.

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, 2011.

Local Government Impact

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

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, KK, SD, SJS