

## LEGISLATIVE BUDGET BOARD

Austin, Texas

### FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

May 20, 2011

**TO:** Honorable Royce West, Chair, Senate Committee on Intergovernmental Relations

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

**IN RE: HB3216** by Otto (Relating to electronic communication between property owners and chief appraisers, appraisal districts, appraisal review boards, or any combination of those persons.),  
**As Engrossed**

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

The bill would amend Section 1.085 of the Tax Code, regarding property taxation and electronic communications between appraisal districts and taxpayers. Current law allows electronic transmission of notices, property renditions, application forms, or completed applications between a chief appraiser and a property owner or the owner's designee if the parties agree to communicate electronically. The bill would add appraisal districts and appraisal review boards to the entities that may communicate electronically, and would specify that any combination of the named entities may communicate electronically.

The bill would allow an agreement to be communicated electronically between a property owner or their designee, be in an electronic form, and would require that the agreement be signed by the property owner (or designee) in a form acceptable to the chief appraiser. An agreement would remain in effect until rescinded in writing by the property owner or property owner's designee. The bill would allow a chief appraiser to determine the medium, format, content, and method to be used for an electronic communication if the Comptroller has not prescribed these items.

Current law requires that an appraisal district must agree to electronic delivery of notices of appraised value if a property owner's property is included in 25 or more accounts in the appraisal district. The bill would except any appraisal district located in a county with a population of 200,000 or less from this requirement.

The bill would require chief appraisers to publicize the availability of electronic communication agreement forms and make other changes to the Tax Code to facilitate electronic communications. The bill would amend Section 1.111 of the Tax Code to require each appraisal district in a county with a population of 500,000 or more to implement a system that allows a designation of a property tax agent to be signed and filed electronically. Current law provides for a property owner, manager, or specified persons authorized to act on behalf of an owner to designate an agent who is authorized to act on behalf of the property owner in tax matters.

The bill also would require that on written request by the chief appraiser, an agent who electronically submits a designation of agent form must provide the chief appraiser the electronic signature of the person who signed the form, the date the person signed the form, and the Internet Protocol address of the computer the person used to complete the form. The bill would prohibit false entries in, or false alterations of, signed designation of agent forms.

Amending Section 1.085 of the Tax Code would expand electronic communications of property tax notices, property renditions, and applications, but would not change taxable values, tax rates, exemptions, or any other variable affecting property tax revenues. Consequently, there would be no fiscal impact on units of local government or the state.

Amending Section 1.111 of the Tax Code would require that certain counties develop an electronic designation of property tax agent system but would not change taxable values, tax rates, exemption amounts, or any other variable affecting property tax levies. Consequently, there would be no fiscal impact to the state. There could be costs associated with developing such a system, which cannot be determined, to units of local government.

The bill would take effect on September 1, 2011.

### **Local Government Impact**

The bill would not change taxable values, tax rates, exemptions, or any other variable affecting property tax levies. However, the bill would require that certain counties develop an electronic designation system. There could be costs associated with developing such a system.

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

**LBB Staff:** JOB, KKR, SD, SJS, KK