

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

**FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION**

**May 3, 2013**

**TO:** Honorable Juan Hinojosa, Chair, Senate Committee on Intergovernmental Relations

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB242** by Otto (Relating to the requirement that certain ad valorem tax-related notices be delivered to a property owner by certified mail.), **As Engrossed**

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

The bill would amend Section 1.07(d) of the Tax Code, regarding property taxation, general provisions, and notice of delivery, to require that certain notices from an appraisal district to a property owner be sent by certified mail. The Tax Code sections for which certified mail notices would be required under this bill's provisions are:

- 1) Section 23.46(c) - notice that land has been diverted to a non-agricultural use;
- 2) Section 23.54(e) - notice that a new application for special agricultural use appraisal is required;
- 3) Section 23.541(c) - notice of penalty for late application for agricultural use appraisal;
- 4) Section 23.55(e) - notice of determination of change of land use from qualifying open-space use; and
- 5) Section 23.76(e) - notice of determination of change of land use from qualifying timber use.

The bill would not affect taxable property values, tax rates, tax collections, or any other variable that would cause a property tax related fiscal impact to the state or units of local government. The bill would, however, increase appraisal district notice costs. The total cost increases to the local taxing units that pay for the budgets of the appraisal districts is unknown but is not expected to be significant. Information from Harris County Appraisal District, for example, indicates that their total annual cost for the new certified mail notices would be about \$17,500.

**Local Government Impact**

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

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