

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

**FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION**

**April 21, 2015**

**TO:** Honorable Jane Nelson, Chair, Senate Committee on Finance

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

**IN RE:** SB593 by Watson (Relating to the award of attorney's fees in a judicial appeal of certain ad valorem tax determinations.), **As Introduced**

<p><b>No fiscal implication to the State is anticipated.</b></p>
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The bill would amend Chapter 42 of the Tax Code, regarding judicial review of property tax cases, to provide that if an appraisal district or a chief appraiser made a written settlement offer to the property owner on or before the 45th day before the date the trial began, and a record of the offer was submitted to the court, a specified procedure would be used for calculating a property owner's tax liability. The amount by which the property owner's tax liability would be reduced would be computed by subtracting the property owner's tax liability resulting from the court's final determination of the suit from the property owner's tax liability that would have resulted had the property owner accepted the most recent qualified settlement offer.

In certain instances the bill's provision that would require the calculation of taxpayer tax liability based on the settlement offer rather than on a higher taxable value would result in savings related to attorney's fees. These savings could reduce costs for the taxing units that pay for the appraisal district's budget. The number of cases in which this provision would apply, and the amount of savings that would be generated are unknown; consequently, the gain to the affected taxing units cannot be estimated.

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, 2015.

**Local Government Impact**

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

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