

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

April 16, 2019

TO: Honorable Dustin Burrows, Chair, House Committee on Ways & Means

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: HB1333 by Krause (Relating to the administration of the ad valorem tax system.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would add Tax Code section 1.086 to require a chief appraiser, on written request of a homestead owner, to email each notice related to:

- (1) change in value of the property; or
- (2) the grant, denial, cancellation, or other change in the status of an exemption or application.

The bill would amend Tax Code section 6.03 to modify the eligibility of the board of directors of an appraisal district to provide that an individual is ineligible to serve on the board if the individual is an officer or employee of a taxing unit that participates in the district.

The bill would add Tax Code section 6.054 to prohibit an individual from being employed by an appraisal district if the individual is an officer or employee of a taxing unit that participates in the appraisal district.

The bill would add Tax Code section 6.16 to require a chief appraiser to maintain a list of individuals who have designated themselves as an individual who will provide free assistance to an owner of residential property that is occupied by the owner as the owner's principal residence.

The bill would amend Tax Code section 23.01 to modify the current requirement that each property be appraised upon the individual characteristics that affect the market value to provide that it includes cosmetic defects of the property.

The bill's provisions requiring cosmetic defects be included in the appraisal of property could decrease the market value of certain properties. Under current law, each property is already required to be appraised based upon the individual characteristics that affect the property's market value and all available evidence that is specific to the value of the property. While specifically including cosmetic defects to the list of characteristics could decrease values and would create a cost to local taxing units and the state through the school finance formula, the cost is not expected to be significant.

The bill would take effect January 1, 2020.

Local Government Impact

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

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: WP, KK, SD, SJS