

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

May 23, 2019

TO: Honorable Dennis Bonnen, Speaker of the House, House of Representatives

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

IN RE: HB2159 by Meyer (Relating to the correction of an ad valorem tax appraisal roll.), As
Passed 2nd House

Passage of the bill would expand the grounds permitted in an error correction motion. As a result, taxable property values could be reduced and the related costs to the Foundation School Fund could be increased through the operation of the school finance formulas.

The bill would amend Tax Code Section 25.25(d) to allow a property owner to file a motion to correct the appraisal roll for an error if the error resulted in an appraised value of more than one-fourth of the correct appraised value for residence homesteads.

Provisions of the bill that expand the grounds to file an error correction motion to a lower threshold of one-fourth of the correct appraised value for residence homesteads would create a cost to local taxing units and the state through the school finance formula by providing a greater opportunity for property owners to obtain appraised value reductions. The frequency and value of such errors is unknown; consequently, the bill's fiscal cost cannot be determined.

The bill would take effect immediately upon enactment, assuming it received the requisite two-thirds majority votes in both houses of the Legislature. Otherwise, it would take effect September 1, 2019.

Local Government Impact

Passage of the bill would expand the grounds permitted in an error correction motion. As a result, taxable property values and the related ad valorem tax revenue for units of local government could be reduced.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: WP, KK, SD, SJS