

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

April 8, 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: HB2257 by Sanford (Relating to the authority of an appraisal review board to direct changes in the appraisal roll for a prior year.), **As Introduced**

Passage of the bill would allow the appraisal review board, on motion of a chief appraiser or a property owner, to make changes in the appraisal roll for any of the five preceding years to correct an error in the square footage of a property described in the appraisal roll. 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 Section 25.25 of the Tax Code, regarding appraisal roll corrections, to allow the appraisal review board, on motion of a chief appraiser or a property owner, to make changes in the appraisal roll for any of the five preceding years to correct an error in the square footage of a property described in the appraisal roll.

The bill's proposed procedure allowing property owners to request appraisal roll corrections for an error in the square footage of a property for the preceding five years could allow property owners to receive reduced values when these errors are corrected. This would create a cost to local governments and the state through the school finance formulas. The frequency and value of such errors is unknown; consequently, the bill's fiscal cost cannot be determined.

The bill would take effect September 1, 2019.

Local Government Impact

Passage of the bill would allow the appraisal review board, on motion of a chief appraiser or a property owner, to make changes in the appraisal roll for any of the five preceding years to correct an error in the square footage of a property described in the appraisal roll. 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