

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

March 19, 2019

TO: Honorable Paul Bettencourt, Chair, Senate Committee on Property Tax

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

IN RE: SB492 by Alvarado (Relating to the application of the limit on appraised value of a residence homestead for ad valorem tax purposes to an improvement that is a replacement structure for a structure that was rendered uninhabitable or unusable by a casualty or by wind or water damage.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend Chapter 23 of the Tax Code, regarding property tax appraisal methods and procedures, to change the definition of "disaster recovery program" to any program that is funded with community development block grant disaster recovery money authorized by federal law.

Changing the definition of a disaster recovery program could potentially include more programs than under current law. This broader definition could potentially be a cost to local taxing units and to the state through the school funding formula because new improvements made as a result of disaster program requirements retain their current appraisal cap. This means they may not be appraised at market value. The cost cannot be estimated because the impact of future disasters is unknown, but 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