

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

May 13, 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: **SB2531** by Creighton (Relating to the disposition of an ad valorem tax protest by means of an agreed order.), **As Engrossed**

Passage of the bill would allow the chief appraiser and the property owner to file a joint motion with the appraisal review board notifying the board that the chief appraiser and the property owner have agreed to a disposition of the protest and requesting the board to issue an agreed order. The value of a property the chief appraiser and the property owner might agree on and what actions the appraisal review board might take during the protest could result in a gain or a loss to the state through the school funding formula.

The bill would amend Chapter 41 of the Tax Code, regarding local review, to allow the chief appraiser and the property owner or the designated agent of the owner to file a joint motion with the appraisal review board notifying the board that the chief appraiser and the property owner or the designated agent of the property owner have agreed to a disposition of the protest and requesting the board to issue an agreed order. The bill would prescribe the joint motion must contain the terms of the disposition of the protest.

The bill would authorize the chief appraiser and the property owner or the designated agent of the owner to provide in the joint motion that the agreed order is appealable in the same manner as any other order issued by the board under this section.

Many appraisal districts already follow the bill's provisions regarding an agreed protest disposition. In appraisal districts not currently following the bill's provisions, the value of a property the chief appraiser and the property owner might agree on and what actions the appraisal review board might take during the protest could result in a gain or a loss to local taxing units and to the state through the school funding formula. The taxable value of properties that could be affected and what actions an appraisal review board might take regarding the protested property value are unknown. Consequently, the fiscal impact cannot be estimated.

The bill would take effect January 1, 2020.

Local Government Impact

Passage of the bill would allow the chief appraiser and the property owner to file a joint motion with the appraisal review board notifying the board that the chief appraiser and the property owner have agreed to a disposition of the protest and requesting the board to issue an agreed

order. The value of a property the chief appraiser and the property owner might agree on and what actions the appraisal review board might take during the protest could result in a gain or a loss to local taxing units.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: WP, KK, SD, SJS