

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

April 5, 2021

TO: Honorable Jane Nelson, Chair, Senate Committee on Finance

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: SB63 by Nelson (Relating to the system for appraising property for ad valorem tax purposes.), **As Introduced**

No fiscal implication to the State is anticipated.

The bill would amend Section 1.086 of the Tax Code to require appraisal review boards (ARB) and chief appraisers, if requested by an owner, to provide notice by email for all types of property and for all types of notices unless the notice is required to be sent by certified mail return receipt. The chief appraiser would be required to immediately forward these requests to the ARB chair.

The bill would amend Chapter 6 of the Tax Code, regarding local administration of property tax, to provide term limits for an appraisal district's board of directors of all or part of three terms, unless the individual was the county assessor-collector at the time the individual served as a board member, and to provide that individuals are ineligible if the individual has been an employee of the appraisal district at any time during the preceding three years. The bill also modifies eligibility criteria for board of directors' members who appraise property for compensation for use in property tax proceedings. The bill would prohibit members of an ARB for an appraisal district from employment by the appraisal district for 2 years after serving on the ARB.

The bill amends Section 6.41(f) of the Tax Code to provide that if the board of directors, local administrative district judge, or judge's designee that appointed a member of the ARB learns of potential grounds for removal, they should remove the member or find by official action that the member's removal is not warranted before the 90th day.

The bill would require the chief appraiser to act on an exemption or special appraisal application within 90 days of the filing date. The chief appraiser would be required to include a full explanation for any denials or modifications in the written notice.

The bill would amend Chapter 25 of the Tax Code, regarding local property tax appraisal and Chapter 41 of the Tax Code, regarding local appraisal review, to require an ARB to schedule a protest hearing to be held as soon as practicable but not later than the 90th day after the filing date. The bill adds Tax Code Sections 25.25(e-1) and 41.67(e) to prohibit chief appraisers from offering evidence or argument in support of a reason for modifying or denying an exemption or special appraisal application other than a reason stated in the notice delivered to the applicant.

The bill would add additional requirements to the Comptroller's notice of protest form.

The bill would take effect September 1, 2021.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JMc, KK, SD, BRI