

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

April 14, 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.),
Committee Report 1st House, Substituted

No fiscal implication to the State is anticipated.

The bill would amend Chapter 5 of the Tax Code, regarding state administration of property tax, to allow the Comptroller, after giving notice, to send and require submission of documents, payments, notices, reports or other items electronically. The bill would allow the Comptroller to adopt rules to administer electronic submission and delivery, including rules specifying format.

The bill would amend Chapter 5 of the Tax Code, regarding state administration of property tax, to allow the Comptroller to conduct an appraisal review board (ARB) training course through distance training and education. The bill allows the Comptroller to adopt rules, including rules establishing criteria for course availability and for demonstrating course completion.

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 or the appraisal district is located in a county with a population of less than 120,000. The bill modifies eligibility criteria for board of directors' members who appraise property for compensation for use in property tax proceedings and would prohibit employees of the appraisal district any time during the preceding three years from serving on the board. 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 Tax Code Section 6.41(f) 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 amend Chapters 11 and 23 of the Tax Code, regarding taxable property and exemptions and appraisal methods and procedures, to 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, to require an ARB to schedule a protest hearing on an error motion to correct the appraisal roll to be held as soon as practicable but not later than the 90th day after a hearing is requested.

The bill would amend Chapter 41 of the Tax Code, regarding local appraisal review, to add additional requirements to the Comptroller's notice of protest form. The bill would require an ARB to schedule a protest hearing to be held as soon as practicable but not later than the 90th day after approval of the appraisal records. The bill would provide upon written request of a property owner that the ARB send an electronic reminder stating the date, time, and place of a protest hearing. The bill would 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 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