

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION**

**May 6, 2023**

**TO:** Honorable Paul Bettencourt, Chair, Senate Committee on Local Government

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: HB2488** by Geren (Relating to the burden of proof in certain ad valorem tax appeals.), **As Engrossed**

**Passage of the bill would place the burden of proof on the chief appraiser in an appeal of an order of an appraisal review board involving an increase in the appraised value of property. 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 Chapter 42 of the Property Tax Code, regarding Judicial Review, to add that in an appeal of an order of an appraisal review board (ARB) determining a protest or a motion, involving an increase in the appraised value of property, the appraisal district has the burden of establishing the appraised value of property subject to the appeal by clear and convincing evidence. As a result, appraised value could decrease. However, the frequency and amount of tax levy lost resulting from such outcomes are unknown; as such, the fiscal impact on the state and units of local government cannot be determined.

**Local Government Impact**

Passage of the bill would place the burden of proof on the chief appraiser in an appeal of an order of an ARB involving an increase in the appraised value of the property. As a result, taxable taxable property values for local governments could be reduced. However, the no-new-revenue and voter-approval tax rates as provided by Section 26.04, Tax Code could be higher as a consequence of the reduced taxable value.

**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** JMc, AF, KK, SD, BRI