

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

March 26, 2023

TO: Honorable Morgan Meyer, Chair, House Committee on Ways & Means

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB2488 by Geren (Relating to the burden of proof in a trial de novo appeal of the appraised value of property.), **As Introduced**

Passage of the bill would place the burden of proof on the chief appraiser in a trial de novo appeal. 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, relating to Judicial Review, to add that in a trial de novo appeal, the chief appraiser and appraisal district carry the burden of proof to support increasing the appraised value of property if the value of the property subject to the appeal was lowered in the preceding year.

The bill would amend Chapter 23 of the Property Tax Code, relating to Appraisal Methods and Procedures, to prevent the appraisal review board, in addition to the chief appraiser, from increasing the appraised value of a property in a year following the year in which it was lowered under a protest or appeal unless clear and convincing evidence supports the increase.

The bill would shift the burden of proof in a trial de novo appeal and could potentially lead to lower appraisal values. However, the amount of tax levy lost resulting from such an appeal and frequency of these trials are unknown, thus 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 a trial de novo appeal. As a result, 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, KK, SD, BRI