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

**FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION**

**April 2, 2025**

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

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

**IN RE:** **HB2786** by Turner (Relating to the frequency with which an appraisal district is required to reappraise property for ad valorem tax purposes.), **As Introduced**

**No significant fiscal implication to the State is anticipated.**

The bill would require the board of directors of an appraisal district to develop biennially a written plan for the annual reappraisal of all property within the boundaries of the district, and make conforming changes.

The bill would require each appraisal office to implement the reappraisal plan for the annual reappraisal of property, rather than the periodic reappraisal of property, and require the chief appraiser to use the most recent information obtained through reappraisal activities when performing the reappraisal.

To the extent that appraisal districts are not following current law to appraise property at market value as of January 1, there could be an impact on taxable values and to the state through the operation of the school finance formulas. However, the impact is not expected to be significant.

## Local Government Impact

To the extent that appraisal districts are not following current law to appraise property at market value as of January 1, there could be some impact. In jurisdictions with appreciating market values, requiring annual reappraisal would increase taxable value and consequently the no-new-revenue and voter-approval tax rates as provided by Section 26.04, Tax Code would be lower. In a depreciating market, annual reappraisal would result in decreased values, and consequently the no-new-revenue and voter-approval tax rates as provided by Section 26.04, Tax Code would be higher.

**Source Agencies:** 304 Comptroller of Public Accounts
**LBB Staff:** JMc, KK, SD, BRI