

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

May 1, 2025

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB3093 by Villalobos (Relating to the calculation of certain ad valorem tax rates of a taxing unit for a year in which a property owner provides notice that the owner intends to appeal an order of an appraisal review board determining a protest by the owner regarding the appraisal of the owner's property.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

The bill would require the tax rate calculation forms used to calculate and submit the no-new-revenue tax rate and the voter-approval tax rate to be capable of including the applicable addendum to the forms.

The bill would amend Chapter 26 of the Tax Code to define affected taxing unit, anticipated substantial litigation, associated business entity, contested taxable value, and uncontested taxable value. The bill would amend the definition of current total value to exclude the portion of the aggregate taxable value of all of the property located in the taxing unit that is included as part of anticipated substantial litigation that consists of contested taxable value.

The bill would require an affected taxing unit with contested taxable value excluded from the current total value for a tax year to include an addendum to the tax rate calculations forms for that year: 1) documentation that supports the exclusion, and 2) each statement to the submitted to the taxing entity for that tax year.

The bill would amend Chapter 41 of the Tax Code to require each affected taxing unit to notify by July 1, the property owners with the 10 highest taxable values in the taxing unit that they must submit a form for "anticipated substantial litigation" if they plan on appealing an appraisal review board determined value under Tax Code Chapter 42. Designated property owners must include on the form the total amount of contested taxable value subject to appeal and a written statement that the property owner intends to pay the tax on the uncontested taxable value. The property owner must submit this information to the taxing entities the earlier of August 7 or the 21st day after the date the first hearing regarding a protest of the value of any property included in the anticipated substantial litigation. The amount of the uncontested taxable value submitted to the taxing entities may only for used for the purposes of calculating the no-new-revenue tax rate and the voter-approval tax rate.

Local Government Impact

For the purposes of the bill, an affected taxing unit is a taxing unit that is located wholly or in part in a county that has a population of less than 500,000 and is located on the Gulf of Mexico.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JMc, SZ, KK, BRI, SD