

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

May 23, 2025

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: SB2538 by Bettencourt (relating to the plan required to be adopted by the board of directors of an appraisal district for periodically conducting certain reappraisal activities.), **Committee Report 2nd House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would establish that no board of directors could approve a plan to appraise property on a timeline or based on appraisal standards that would prevent the chief appraiser from appraising property in compliance with Section 23.01(a) of the Tax Code, which requires all taxable property be appraised at its market value as of January 1.

Depending on the condition of the economy and the local real estate market, less frequent appraisals could widely misstate property value and potentially result in large increases in appraised value when the property comes back up for reappraisal or result in failure to timely reduce appraisals when market values have declined.

The effect of nullifying elements of appraisal district reappraisal plans that may be inconsistent with or not authorized by state law could have a fiscal impact for some districts but in amounts that cannot be estimated and are not expected to be significant on a statewide basis.

Local Government Impact

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Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JMc, KK, SD, BRI