

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

April 12, 2025

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

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.), **As Introduced**

No fiscal implication to the State is anticipated.

This bill would prohibit the board of directors (board) of an appraisal district from approving and implementing a plan for periodic reappraisal of property that includes a standard or timeline that is inconsistent with or not authorized by law.

To the extent that appraisal districts are adopting reappraisal plans that include standards or timelines that are inconsistent with or not authorized by Chapter 25 of the Tax Code, 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 adopting reappraisal plans that include standards or timelines that are inconsistent with or not authorized by Chapter 25 of the Tax Code, there could be some impact. Depending on the condition of the economy and the local real estate market, less frequent appraisals could widely misstate the property value and potentially result in large increases in taxable value when the property comes back up for reappraisal or fail to timely reduce appraisals when market values have declined.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JMc, SZ, SD, BRI