

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

May 2, 2025

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: SB2553 by West (Relating to the appraisal for ad valorem tax purposes of property that qualifies for an exemption as a historic or archaeological site.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would direct the chief appraiser to consider the effect of any restriction placed on the property owner's ability to alter, improve, or repair a property based on the property's designation as a historic site when determining the market value. The bill would provide a definition and apply to certain historic sites that are exempt from property tax.

Generally, it is expected that when appraising market value appraisers already consider historic site restrictions on the bundle of rights a property owner may exercise. The number of cases in which an appraiser has failed to take into consideration the effect on market value of restrictions placed on a property due to its designation as an historic site is unknown but not expected to be of high frequency. The fiscal impact of this bill is not expected to be significant.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

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