

- SUBJECT:** Electronic delivery of appraisal notices to large property owners
- COMMITTEE:** Local Government Ways and Means — favorable, without amendment
- VOTE:** 4 ayes — Hill, Hegar, Laubenberg, Mowery
0 nays
3 absent — McReynolds, Puente, Quintanilla
- SENATE VOTE:** On final passage, May 8 — 31-0, on Local and Uncontested Calendar
- WITNESSES:** No public hearing
- BACKGROUND:** The 76th Legislature in 1999 enacted SB 1209 by Cain, allowing a county's chief appraiser and a property owner to sign an agreement to allow the delivery of any notice, rendition, application, form, or completed application in an electronic format. Tax Code, sec. 1.085 requires that the agreement between the chief appraiser and property owner must:
- be in writing;
 - be signed by the chief appraiser and property owner;
 - specify the medium and type of communication; and
 - provide for protecting the security of the communication.
- Sec. 1.09 requires a county appraisal district to make printed forms readily and timely available at no charge to property owners.
- Sec. 25.19 requires that the chief appraiser deliver a notice to a property owner by May 15 if the property's appraised value has increased since the previous year, the value is greater than the value rendered by the property owner, or the property was not on the previous year's appraisal roll.
- DIGEST:** SB 1833 would require the chief appraiser to deliver notices required under Tax Code, sec. 25.19 by electronic means upon request to a property owner who had 25 or more tax accounts. The comptroller would have to develop rules prescribing acceptable media, formats, and methods for the electronic

exchange of sec. 25.19 notices and could prescribe such criteria for electronic exchange of other notices, renditions, and applications. The chief appraiser could select the medium, format, and method to be used for the district's electronic notices from those prescribed by the comptroller.

The agreement between the chief appraiser and property owner on exchanging information electronically would have to specify the e-mail address of the property owner and the means for confirming delivery of the communication. The bill also would require appraisal districts to provide electronic versions of required forms at no charge.

The bill would take effect on January 1, 2005, for agreements between property owners and appraisal districts in counties with a population of more than 500,000. For counties with a population of 500,000 or less, the bill would take effect on January 1, 2006.

**SUPPORTERS
SAY:**

SB 1833 would provide cost savings and efficiencies for appraisal districts and for property owners with many tax accounts. The availability and security of electronic communication have improved significantly even since 1999, when SB 1209 was enacted. Information relevant to ad valorem tax appraisal can be transferred electronically from computer to computer. Taxpayers and appraisal districts would save on the expense of generating and handling paper documents as well as the cost of postage. Less need to key in data from paper sources also would cut costs and minimize errors.

The Harris County Appraisal District (HCAD) has operated a pilot project to record and maintain Exxon Mobil tax accounts electronically for several years. The company has a single master account and thousands of subaccounts on its taxable properties in Harris County. Both HCAD and Exxon Mobil exchange information often from what has become a shared database. HCAD could work with other districts and the comptroller to help develop a statewide standard.

SB 1833 is sufficiently flexible and would allow time for appraisal districts serving smaller counties to develop the needed expertise and capability. Some smaller appraisal districts already show a surprising level of technological sophistication, but the bill would delay implementation until January 1, 2006, to allow other counties to make any needed upgrades.

**OPPONENTS
SAY:**

A handful of Texas counties lack modern technology to the extent that they do not even have fax machines. Requiring such counties to meet the standards of SB 1833 would be costly and unnecessary. Some local governmental officials remain very reluctant to adopt newer technologies and to report information through electronic means.