

- SUBJECT:** Allowing appraisal review board to make changes to appraisal records
- COMMITTEE:** Ways and Means — favorable, without amendment
- VOTE:** 9 ayes — D. Bonnen, Y. Davis, Darby, Murphy, Murr, Raymond, Shine, Springer, Stephenson
- 0 nays
- 2 absent — Bohac, E. Johnson
- WITNESSES:** For — Diana McDonnell; (*Registered, but did not testify*: Peggy Venable)
- Against — (*Registered, but did not testify*: Tom Tagliabue, City of Corpus Christi; Guadalupe Cuellar, City of El Paso)
- BACKGROUND:** Tax Code, sec. 25.25(c) authorizes an appraisal review board (ARB), on motion of the chief appraiser or of a property owner, to direct by written order changes in the appraisal roll for any of the five preceding years to correct:
- clerical errors that affect a property owner's liability for a tax levied in that tax year;
  - multiple appraisals of a property in that tax year;
  - the inclusion of property that does not exist in the form or at the location described in the appraisal roll; or
  - an error in which property is shown as owned by a person who did not own the property on January 1 of that tax year.
- Sec. 25.25(d) allows a property owner or the chief appraiser to file a motion with the ARB to change the appraisal roll to correct an error that resulted in an incorrect appraised value for the owner's property. The error may be corrected only if it resulted in an appraised value equal to more than one-third of the correct appraised value. Sec. 25.25(e) entitles a party bringing a motion to a hearing on and a determination of the motion by

the ARB if the chief appraiser and the property owner do not agree to the correction before the 15th day after the date the motion is filed.

DIGEST:

HB 155 would allow the appraisal review board (ARB), on motion of the chief appraiser or a property owner, to direct by written order changes in the appraisal roll or related records. The board could order the appraised value of the owner's property in the current tax year and either of the two preceding tax years to be changed to the sales price of the property in the current tax year if, for each tax year for which the change would be made:

- the property qualified as that owner's residence homestead;
- the sales price of the property was at least 10 percent less than the property's appraised value; and
- the board determined the sales price reflected the property's market value.

If the chief appraiser and the property owner did not agree to the correction before the 15th day after the date the motion was filed, the bill would entitle the party bringing the motion to a hearing on and a determination of the motion by the ARB.

This bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect on the 91st day after the last day of the special session. It would apply only to a motion to correct an appraisal roll filed on or after the effective date.

SUPPORTERS  
SAY:

HB 155 would establish another mechanism through which property owners could petition for a reduction in the appraised value of their homes. It would allow taxpayers to recoup monetary losses if their home sold for less than the appraised value, which would help restore fairness in the appraisal process.

OPPONENTS  
SAY:

HB 155 is unnecessary because there already is a thorough process for property owners to appeal the appraised value of their residential homesteads. Applying retroactive corrections to residential property

values would reduce property tax revenue available to cities, counties, and school districts.

NOTES:

According to the Legislative Budget Board's fiscal note, HB 155 would have a negative impact of about \$5.1 million to the Foundation School Fund during fiscal 2018-19.