
SUBJECT: Authorizing chief appraisers to correct inaccuracies in tax appraisal rolls

COMMITTEE: Ways and Means — favorable, without amendment

VOTE: 6 ayes — Ramsay, Grusendorf, Holzheuser, Horn, Telford, Thompson
0 nays
5 absent— Craddick, Heflin, Oliveira, Stiles, Williamson

WITNESSES: None

BACKGROUND : Section 25.25, Tax Code, provides that chief appraisers for tax districts may make changes to property tax appraisal rolls to correct names or addresses, property descriptions, or clerical errors that do not affect a taxpayer's liability. Other inaccuracies can be corrected only by Appraisal Review Boards upon appeal from the taxpayer.

DIGEST: HB 581 would amend the Tax Code to allow chief appraisers to correct any inaccuracy in appraisal rolls so long as the change did not *increase* the taxpayer's liability.

HB 581 would take immediate effect if approved by a two-thirds record vote of the membership in each house.

SUPPORTERS SAY: HB 581 would simplify the appraisal process for citizens and appraisers alike and free taxpayers from unnecessary red tape. There is no good reason to require Appraisal Review Board hearings on simple errors that can easily be corrected by chief appraisers. Often the errors are obvious ones, such as when taxpayers forget to check the "over-65 exemption" box on appraisal forms. Moreover, chief tax appraisers could not make corrections that would increase tax liability.

In many cases, boards meet only to rubber-stamp the list of recommendations submitted by their chief appraisers. Because the members receive a per diem for board activities, even these brief meetings can cost a tax district thousands of dollars.

HB 581 would prevent such needless expenditures of time and money and would speed up the administrative process. Appraisers could quickly transmit corrected tax bills to the appropriate taxing entity, allowing taxpayers to remit proper payment instead of seeking a refund after the fact or waiting for an adjusted statement at the risk of falling delinquent.

Because chief tax appraisers serve at the pleasure of their Appraisal Review Boards, they are subject to sufficient oversight to prevent misuse of this expanded authority. Chief appraisers are already authorized to correct a number of tax appraisal errors, and no major problems have resulted.

HB 581 would only allow for correction of simple mistakes; it would not give appraisers authority over entire appraisal rolls. Any changes that would cause increased appraisals would still have to be approved by the board, protecting taxpayers from overzealous appraisers.

**OPPONENTS
SAY:**

HB 581 would imprudently expand the authority of chief appraisers. To correct clerical errors is one thing; power to change vague unidentified "inaccuracies" is over broad and would circumvent the oversight that the Appraisal Review Boards were created to provide.

Once invested with this additional power, appraisers could come under significant pressure from taxpayers seeking decreases in their tax bills. Reducing oversight of how tax rolls are administered would diminish the ability localities now possess to prevent tax fraud by taxpayers or appraisers.

Granting chief appraisers the ability to correct tax rolls independently of Appraisal Review Boards could endanger important funding sources for already strapped local projects, such as schools, hospitals and community colleges. Changes in the tax rolls should receive public scrutiny instead of being made behind closed doors.