

POPP | HUTCHESON PLLC

The Property Tax Firm

Texas Legislative Outlook 2013

83rd Legislative Session



Jim Popp and Missy Ramirez, together with lobbyists Clint Smith and Vilma Luna of HillCo Partners, are actively involved in the legislative process. Our focus this session will be on legislation that improves the efficiency and effectiveness of the Appraisal Review Board and lawsuit process. In addition, we will be monitoring the following hot topics in this upcoming session.

APPRAISAL CAPS

The introduction of an appraisal cap bill in the upcoming session is a given. Every year a handful of legislators raise the issue and propose language varying from caps on the appraisals of all types of properties to limiting or lowering caps on residential properties. In the past, these bills have received some attention in the committee hearings and testimony has been taken, but none has been voted

out of committee. This coming year there bills proposing to lower the residential cap from ten to five percent may gain traction.

TRUTH IN TAXATION

Legislators have emphasized issues regarding truth in taxation over the past several sessions, and we expect the trend to continue. Clearer notices of appraised values with more information and more transparent tax bills and tax rate setting procedures have been supported and implemented. Expect the upcoming session to see more of the same efforts geared towards reducing taxpayers' confusion and increasing transparency.

In the same vein, there was a move to increase the separation between the appraisal review board and the appraisal district in the last session,



and those efforts may be increased in the proposed bills. Similarly, expect the Legislature to continue its review of appraisal districts through the comptroller's Methods Assistance Program (MAP) and to discuss district performance with comptroller standards.

PROPERTY VALUE APPEALS TO THE STATE OFFICE OF ADMINISTRATIVE HEARINGS (SOAH)

Two sessions ago in 2007, the Texas Legislature began a pilot program, whereby tax payers unhappy with the results of the Appraisal Review Board were given an alternative remedy to filing an appeal in court. The SOAH remedy began with six counties and was expanded to add five more counties in 2009. The SOAH pilot program is set to expire in January 2014, but expect the legislators to revisit the results and adequacy of the remedy and to consider and propose potential expansion of this to other if not all counties.

ELIMINATION OF THE PROPERTY TAX

In the interim session, Ways and Means heard testimony on alternatives to the property tax. In May, several opponents of the property tax appeared, and Chairman Hilderbran and the Committee listened to testimony and explored the

issues and the alternatives. Much has been discussed in the media of elimination of the property tax, and it is likely that the discourse will continue through the session.

OTHER ISSUES

With pending litigation over the Texas franchise (margins) tax and school finance and the continuing budget questions, we predict that the Legislature will be focused on these issues. Part of the interim charge to the House Ways & Means Committee was to determine whether the existing franchise tax structure should continue in its current form or be repealed and replaced with a different business tax.

For more information regarding the upcoming 83rd Texas Legislative Session, please contact Missy Ramirez at melissa.ramirez@property-tax.com.

POPP HUTCHESON ANNOUNCES

Popp Hutcheson's Trey Novosad and Mark Hutcheson will be speaking at the upcoming IPT Property Tax Symposium in Tampa, FL. November 11th - 14th, 2012.

Mark Hutcheson will be presenting a three-part CMI Academy designed for professionals with the CMI designation.

Trey Novosad will present on pollution control exemption issues.

