



83rd Texas Legislative Session Update

By Jim Popp

It is legislation time again in Texas and at the close of the filing period, over 276 property tax bills had been filed. About one-third of these bills relate to various exemptions, but historically very few exemption bills pass. The following is a brief summary of selected bills of interest.

GENERAL PROCEDURES

HB 585 by Villarreal/SB 1826 by Eltife

Appraisal Review Board (“ARB”) Improvement

- Provides that the Comptroller will adopt standard model forms of ARB practice and procedure
- Requires the Comptroller to develop procedures for taxpayers to register complaints about the system, which would be published in a report
- Requires districts over 120,000 to appoint a taxpayer liaison officer to provide information regarding the complaint process to the Comptroller and to assist the Comptroller in the compilation of complaints
- Expands the local administrative judge ARB selection process to all counties over 120,000

Administrative Procedures Improvements

- Requires scheduling of an ARB hearing for a time and date certain for a taxpayer not represented by an agent with provisions for postponement
- Allows a property owner or agent to request up to 20 protest hearings be scheduled for the same day
- Requires that property owners shall be randomly assigned to ARB panels
- Clarifies that a person providing evidence or argument at the ARB is not subject to the real estate appraiser licensing act

- Requires an ARB to give written response or email response to a request to postpone an ARB hearing within seven days of the request
- Provides an application process for interstate allocation identical to that required to claim an exemption

Appeal Procedures Improvement

- Provides that a taxpayer may file a lawsuit to compel a refund due the taxpayer
- Allows a taxpayer in litigation to pay taxes based on the amount paid in the prior year and allows use of the split payment option
- Clarifies that a lawsuit petition may contain multiple properties owned by the same taxpayer
- Provides that the court has jurisdiction over a lawsuit if the property was the subject of an ARB hearing and the lawsuit was timely filed
- Clarifies that testimony offered at the appraisal review board hearing is not admissible in the appeal to district court

PROTEST PROCEDURES

HB 1830 by Gonzalez, N.: Disclosure of Valuation Information

For El Paso only, allows chief appraiser for commercial property over \$1,000,000 to request sales and income information of a property. If taxpayer does not comply with the request the ARB may dismiss the protest.

HB 2723 by Otto: Burden of Proof

Provides that the appraisal district must establish by clear and convincing evidence the value of a property if the taxpayer provides sufficient information to establish market value.

HB 2792 by Elkins/SB 1076 by Hagar: Closed ARB Hearings

Upon agreement of the appraisal district and the taxpayer, a hearing may be closed to the public if confidential information will be discussed.

HB 3442 by Otto: Postponement Request

Provides that the ARB shall respond in writing within seven days of a postponement request, and if the request is granted the ARB must provide the date and time of the new hearing.

HB 3445 by Otto: Deadline for Holding a Protest Hearing

ARB must hold a protest hearing or other hearing within 180 days of the filing of the protest or the taxpayer's motion is granted.

SB 2419 by Elkins: ARB use of Special Magistrates

Creates a pilot program in Harris County for the local administrative district judge to appoint special magistrates to hear protests.

APPEAL PROCEDURES**HB 1729 by Ashby: Award of Attorney Fees**

Provides for the award of attorneys' fees up to \$15,000 in a county of under 50,000 to a prevailing appraisal district.

HB 2889 by S. Turner/SB 1342 by Davis: Eliminates Equal and Uniform Remedy under 42.26

Modifies the equity remedy made available in 42.26 by changing language in (a)(3) from "medium appraised value of a reasonable number of comparable properties" to "median level of appraisal of a reasonable and representative sample." Would provide for equity as currently under (a)(3) for properties under \$1,000,000 but considering a reasonable "sample" rather than reasonable "number."

HB 3443 by Otto: Intervention in a Lawsuit

Allows a person that acquires ownership of a property during the pendency of the appeal to intervene in the lawsuit if the person obtains an assignment.

HB 316 by Otto: SOAH Appeal Procedure

Makes the SOAH pilot program permanent and extends it to the entire state. Designates 13 cities for SOAH hearings with the hearing to be held in city closest to property.

ARBs AND BOARD OF DIRECTORS**HB 2314 BY Otto: ARB Training In Open Records/ Meetings**

Members of local governments are currently required to undergo open meetings and open records training. HB 2314 extends this to members of an appraisal district's board of directors

HB 3440 by Otto: ARB Affidavit

Provides that ARB members may not participate in an ARB hearing until the member has signed an affidavit stating he or she has read and will follow the Comptroller's appraisal review board manual and any local rules applying to the jurisdiction.

APPRAISAL CAPS AND LIMITS**SB 155 & SJR 14 by Patrick: Appraisal Cap**

Provides for a 10 percent appraisal cap on commercial property.

HB 3173 by Bohac: Limitation of Reappraisal

Provides that if the appraised value of a property is lowered, the value of the property will not change for the next three years.

HB 3570 by Hilderbran: Limitation of Reappraisal

Provides that a district may not reappraise a parcel of real estate more than once in a three year period unless the property sells.

APPRAISAL**SB 1598 by Zaffirini: Inspection of Property**

Provides a district may inspect a property to determine the existence of personal property only "with the express consent of the owner."

TAX COLLECTIONS**HB 709 by Isaac: Refund of Taxes**

Clarifies that property tax refunds may be applied toward to delinquent taxes even if refunded amounts are for a different tax year.

HB 2324 by Gonzalez, N.: Delinquent Tax Penalty

Provides that in the first month a tax is delinquent, the penalty is the prime rate rather than 6 percent but total penalty remains 12 percent.

MISCELLANEOUS**HB 1060 by Bonnen / SB 1224 Taylor: Timeliness of action by overnight courier**

Provides that action is timely if deposited with common or contract carrier and the document was given to the carrier for delivery prior to the deadline.

HB 3446 by Otto: Distribution of Legal Opinions

ARB may not distribute a legal opinion by their lawyer to anyone not on the board. However, if they decide to distribute the legal opinion they must make it public and put on the comptroller's website.

For more information on our Legislative Update please contact Jim Popp at jim.popp@property-tax.com