

HB 988 by Shine/Lucio

Background:

The purpose of this bill is to enhance the efficiency and accountability of the property tax system.

The property tax is a crucial source of revenue for local governments and school districts. This is due to the state's reliance on property tax and sales tax rather than an additional element of income tax. As a result of this reliance, it is even more important that taxpayers have a system that is efficient and accountable.

Our property tax system is based upon a foundation of: 1. Equal and Uniform Taxation, and 2. Valuation of all property at market fair. These two concepts are the pillars of fairness in the system. But fairness is only as good as the procedures and processes in place to achieve that fairness. HB 988 makes several procedural changes to continue to maintain and improve fairness.

It is a bill that benefits both taxpayers and appraisal districts.

Summary :

Section 1: Amends Section 5.103, Tax Code. ARB shall adopt comptroller model hearing procedures and may not adopt procedures in conflict. Comptroller shall review procedures for any conflicts.

Section 2: Amends Section 5.104, Tax Code. The comptroller annual report of appraisal review board surveys shall included comments, complaints and suggestions related to the ARB and the results of any binding arbitrations under Section 41A.015

Section 3: Amends Section 6.03, Tax Code. Provides that in a county over 120,000 a taxing unit with over 5% of the vote for board of directors must cast their vote for directors by the second open meeting after they receive the ballot from the chief appraiser.

Section 4: Amends Section 6.052, Tax Code, Provides that the taxpayer liaison officer shall gather complaints relating to the appraisal review board and does not commit any offense if communicating in rol of taxpayer liaison officer.

Section 5: Adds Section 6.155, Tax Code. Provides that a member of the governing body, officer or employee of a taxing unit commits an a Class A misdemeanor if they communicate with the chief appraiser to influence values.

Section 6: Amends Section 11.252, Tax Code. Provides that a person entitled to an exemption as a result of leasing a motor vehicle for use other than the production of income may on the required form certify the vehicle's use by written, unsworn declaration in addition to the current swearing under oath.

Section 7: Amends Section 11.253, Tax Code. Provides that if a taxing unit is located in a disaster area it may extend the goods and transit period from 175 days to 270 days.

Section 8 & 9: Amends Section 21.021 and 21.031, Tax Code. Clarifies that interstate allocation for instrumentalities of commerce may be applied to a fleet of vessels as well as individual vessels.

Section 10: Amends Section 25.02, Tax Code. Clarifies that each appraisal record must have a unique account number. The appraisal district must provide notice to a property owner if the appraisal district changes an account number. Upon written request of a property owner, except for residential property or property subject to a delinquency, the appraisal district shall combine multiple accounts into a single account or segregate a single account into multiple accounts of the accounts that are described in a deed. Clarifies that generally accepted appraisal techniques apply.

Section 11: Amends Section 25.19, Tax Code. Provides that the notice of appraised value must explain the availability of informal protest settlement conferences.

Section 12: : Amends Section 25.19, Tax Code Provides that the appraisal district may not deliver a corrected or amended notice of appraised value on business personal property after June 1, unless the purpose is to include omitted property or correct a clerical error. The notice of appraised value must also inform a property owner of the availability of an informal protest settlement process.

Section 13: Amends Section 31.11, Tax Code. Clarifies that a tax payment that is made in excess of the amount shown on the tax roll is not an overpayment if it was made as a result of a change in tax liability from the resolution of a property tax lawsuit.

Section 14: Amends Section 41.01, Tax Code. Requires an ARB to hold a public hearing on the adoption of procedural rules.

Section 15: Amends Section 41.44, Tax Code. Protest form must allow a person to request a single member panel.

Section 16: Adds Section 41.445, Tax Code. Requires the appraisal district upon request to provide an informal protest settlement conference for each protest filed.

Section 17: Amends Section 41.45, Tax Code. Authorizes an appraisal review board to sit in single member ARB panels rather than three member panels if requested or authorized by the property owner.

Section 18: Amends 41.461, Tax Code. Conforming amendment related to notice of hearing procedures.

Section 19: Amends Section 41.47, Tax Code. Provides that an appraisal review board order determining protest shall, for purposes of the final appraised value determination, show the allocation between land and improvement. The allocation shall be made by the appraisal district.

Provides that upon written request of a property owner, attorney representing a property owner, or agent designated by a property owner, the appraisal district shall electronically submit an order determining protest in addition to the appraisal review board providing written notice by certified mail.

Section 20: Amends Section 41.66, Tax Code, to provide that a property owner may file a complaint with taxpayer liaison officer for failure of ARB to comply with procedural rules. Board may order compliance and may remove the chairman of ARB for noncompliance.

Section 21: Adds Section 41A.015, Tax Code Authorizes a property owner to file an expedited binding arbitration to require the ARB or chief appraiser to comply with the following procedural hearing requirements:

1. Provide a protest hearing to which the property owner is entitled,
2. Provide upon request to the property owner information the appraisal district intends to introduce at the protest hearing,
3. Provide on request that 20 designated properties be heard on the same day,
4. Comply with the right of a property owner to offer evidence at a hearing,
5. Comply with the requirement that a protest hearing be held at a time certain and postponed if not held within two hours, and
6. Failure to adopt rules in compliance with the Comptroller's model hearing procedures.

Prior to filing suit, a property owner must provide notice of the procedure the ARB or chief appraiser has failed to comply with and allow the ARB ten days to cure.

An arbitrator court may order the ARB to grant a new protest hearing and to comply with the procedural requirement.

Section 22: Amends Section 41A.10. Clarifies that taxes deferred under 33.06 or 33.065 are not delinquent during an arbitration appeal.

Section 23: Amends Section 42.015, Tax Code. Provides that a lessee who is contractually obligated to reimburse the owner for property taxes may file a lawsuit on the property if the property owner protested the property but the property owner did not file a lawsuit on the property.

Section 24: Amends Section 42.23, Tax Code. Provides that with regard to provisions related to exchange of expert witness appraisal in a property tax lawsuit, that district court may not enter an order or protective order in conflict with the provisions of Section 42.23(e), Tax Code.

Sections 25 through 33: Effective date and enabling provisions