

*Bill Analysis, 85th Legislative Session
1st Called Special Session*

Caption:

Relating to the system for protesting or appealing certain ad valorem tax determinations; authorizing a fee.

Analysis

Section 1. Amends 1.085(a), Tax Code, to provide that information requested by a property owner/agent concerning evidence to be offered by the appraisal district at an ARB hearing may be delivered electronically if the parties agree to such a delivery.

Section 2. Section 5.01, Tax Code, is added to require that the comptroller appoint a property tax administration advisory board “to advise the comptroller with respect to the division or divisions within the office of the comptroller with primary responsibility for state administration of property taxation and state oversight of appraisal districts and local tax offices.” The board is composed of at least six members appointed by the comptroller: representatives of tax payers, appraisal districts, and school districts, and a person with experience in ratio studies.

Section 3. Section 5.041, Tax Code, is amended to require ARB members to complete an initial 8-hour training course provided by the comptroller. A required continuing education course must provide at least 4 hours of classroom training and education.

Section 4. Section 5.043, Tax Code, is added to require the comptroller to develop curricula and an arbitration manual for the training of arbitrators. The materials must be available online. Service providers may be hired for this purpose and a fee of \$50 per person may be charged for the training.

Section 5. Section 5.102, Tax Code, is amended to change the name of the comptroller’s advisory board.

Section 6. Section 5.104, Tax Code, is added to specify the administration of ARB survey forms by the comptroller. Appraisal districts are required to provide the form with instructions for completion and submission to each property owner or agent at or before an ARB hearing and with each order determining protest or motion. Submission of the surveys must be made directly to the comptroller (only one for each motion or protest). The comptroller is required to permit submission in person, by mail, by e-mail, or through a web page on the comptroller’s website. An appraisal district may not require that a person complete the survey at the appraisal office in order to submit the form to the comptroller. The survey must be submitted not later than 45 days after the date the form is delivered with the order determining protest/motion or “the matter that is the subject of the protest is finally

resolved if the protest is settled or otherwise resolved in a manner that does not require the issuance of an order” determining protest/motion. The comptroller must issue an annual report and may adopt rules to implement the law.

Section 7: Section 6.412, Tax Code, is amended to prevent ARB members from being related within the third degree by consanguinity or within the second degree by affinity to other ARB members. In counties with populations of 120,000 or more, an ARB member is ineligible if he/she has served for all or part of three previous terms as a board member or auxiliary board member.

Section 8. Section 6.42, Tax Code, is amended to require administrative district judges statewide to appoint the chairman and secretary of each appraisal review board. Unanimous voting of appraisal review board panels to determine a protest/motion is prohibited.

Section 9. Section 25.25(c), Tax Code, is amended to allow late motions to correct for five preceding years for “an error in the square footage of a property described in the appraisal roll.”

Section. 10. Section 41.46(a), Tax Code, is amended to require that notices of protest hearings include the subject matter of the hearing (as well as date, time, and location).

Section 11. Section 41.461, Tax Code, is amended to change how property owners are informed of the right to request information to be used as evidence at ARB hearings. The information must be delivered by regular first-class mail, in an electronic format if the parties agree to do so, or at an exact Internet location or URL address at which the information is readily available. If the information is provided on the Internet, however, the owner may still request that it be sent by regular first-class mail if requested.

Section 12. Section 41.47(c-2) and (f), Tax Code, are added, and subsections (d) and (e) are amended to prohibit an ARB from increasing a value over the noticed value; require that the ARB send a copy of the survey with the order determining protest (certified mail); and require that delivery of the order determining protest be delivered “not later than the 15th day after the date the hearing on the protest is concluded.”

Section 13. Section 41.66, Tax Code, is amended to allow a tax agent (not just a property owner) to postpone a hearing if requested because the chief appraiser failed to deliver requested information according to Section 41.461. Hearings on all protests filed by an owner or agent may be scheduled consecutively by the ARB. The notice of hearing must provide the listing of properties in the order in which they will be heard. The ARB is prohibited from rescheduling a hearing earlier than 7 days after the date the last hearing was scheduled to end unless there is an agreement. Notice of the rescheduled hearing is required (unless there is an agreement by the parties) not later than the 7th day before the date of the hearing. The owner/agent must be provided documents indicating that the ARB members signed the affidavit indicating that they had not communicated with anyone about the protest prior to the hearing.

Section 14. Section 41.67, Tax Code, is amended to say that requested information (Section 41.461) that was not delivered to the protesting party at least 14 days before the first scheduled hearing may not be used or offered in any form as evidence at the hearing, including as a document or through argument or testimony.

Section 15. Section 41.71, Tax Code, is amended to prohibit ARB hearings on Sundays or starting after 7 p.m. on weekdays.

Section 16. Section 41A.06, Tax Code, is amended to require arbitrators to complete the ARB training course and the comptroller's arbitrator training before qualifying to serve.

Section 17. Section 41A.061, Tax Code, is amended to conform language to the amendment to Section 41A.06.

Section 18. Section 41A.09, Tax Code, is amended to conform language to the amendment to Section 41A.6.

Section 19. Section 403.302, Government Code, is amended to change the name of the comptroller's property tax administration advisory board.

Section 20. Four sections of law are repealed to conform to other changes in law.

Section 21—29. Effective dates for various sections

Section 30. This Act takes effect January 1, 2018.

Fiscal Implications

Administrative cost to the Comptroller's Office will occur due to requirements to enter survey information previously received electronically. Other costs may occur regarding expanded arbitrator training (creation of manuals etc.).

Appraisal districts will incur additional expenses to provide paper copies of evidence if requested by property owners/agents, along with mailing costs.