

By: Shine, Rodriguez, Lucio III, Button,
et al.

H.B. No. 988

Substitute the following for H.B. No. 988:

By: Sanford

C.S.H.B. No. 988

A BILL TO BE ENTITLED

AN ACT

relating to the administration of the system for appraising
property for ad valorem tax purposes.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 5.103, Tax Code, is amended by amending
Subsection (d) and adding Subsection (e) to read as follows:

(d) An appraisal review board shall incorporate ~~[follow]~~
the model hearing procedures prepared by the comptroller when
adopting the board's ~~[establishing its]~~ procedures for hearings as
required by Section 41.01(c). An appraisal review board may adopt
procedures that supplement the model hearing procedures, provided
that the supplemental procedures do not contradict or circumvent
the model hearing procedures.

(e) Each year the comptroller shall review the hearing
procedures adopted by each appraisal review board to determine
whether the hearing procedures incorporate the model hearing
procedures prepared by the comptroller under this section
[41.66(a)].

SECTION 2. Section 5.104(1), Tax Code, is amended to read as
follows:

(1) The comptroller shall issue an annual report that
summarizes the information included in the surveys submitted during
the preceding tax year. The report must also include a summary of
the comments, complaints, and suggestions forwarded to the

1 comptroller during the preceding tax year by taxpayer liaison
2 officers under Section 6.052(a), the results of the comptroller's
3 review of appraisal review board hearing procedures during the
4 preceding tax year under Section 5.103(e), and the results of
5 requests for limited binding arbitration filed with the comptroller
6 during the preceding tax year under Section 41A.015. The report may
7 not disclose the identity of an individual who submitted a survey,
8 comment, complaint, suggestion, or request for arbitration.

9 SECTION 3. Section 6.04(d), Tax Code, is amended to read as
10 follows:

11 (d) The board shall develop and implement policies that
12 provide the public with reasonable opportunity to appear before the
13 board to speak on any issue under the jurisdiction of the board.
14 Reasonable time shall be provided during each board meeting for
15 public comment on appraisal district and appraisal review board
16 policies and procedures, and a report from the taxpayer liaison
17 officer [~~if one is required by Section 6.052~~].

18 SECTION 4. Section 6.052, Tax Code, is amended by amending
19 Subsections (a), (b), and (c) and adding Subsection (g) to read as
20 follows:

21 (a) The board of directors for an appraisal district
22 [~~created for a county with a population of more than 120,000~~] shall
23 appoint a taxpayer liaison officer who shall serve at the pleasure
24 of the board. The taxpayer liaison officer shall administer the
25 public access functions required by Sections 6.04(d), (e), and (f),
26 and is responsible for resolving disputes not involving matters
27 that may be protested under Section 41.41. In addition, the

1 taxpayer liaison officer is responsible for receiving, and
2 compiling a list of, comments, complaints, and suggestions filed by
3 the chief appraiser, a property owner, or a property owner's agent
4 concerning the matters listed in Section 5.103(b) or any other
5 matter related to the fairness and efficiency of the appraisal
6 review board established for the appraisal district. The taxpayer
7 liaison officer shall forward to the comptroller comments,
8 complaints, and suggestions filed under this subsection in the form
9 and manner prescribed by the comptroller not later than December 31
10 of each year. A person may serve as the taxpayer liaison officer
11 for more than one appraisal district if each appraisal district for
12 which the person is appointed to serve as taxpayer liaison officer
13 is established for a county with a population of less than 120,000.

14 (b) The taxpayer liaison officer shall provide to the public
15 information and materials designed to assist property owners in
16 understanding the appraisal process, protest procedures, the
17 procedure for filing comments, complaints, and suggestions under
18 Subsection (a) of this section or a complaint under Section
19 6.04(g), and other matters. Information concerning the process for
20 submitting comments, complaints, and suggestions to the
21 comptroller concerning an appraisal review board shall be provided
22 at each protest hearing.

23 (c) The taxpayer liaison officer shall report to the board
24 at each meeting on the status of all comments, complaints, and
25 suggestions filed with the officer under Subsection (a) of this
26 section and all complaints filed with the board under Section
27 6.04(g).

1 (g) Notwithstanding any other provision of this chapter, a
2 taxpayer liaison officer does not commit an offense under this
3 chapter if the officer communicates with the chief appraiser or
4 another employee or agent of the appraisal district, a member of the
5 appraisal review board established for the appraisal district, a
6 member of the board of directors of the appraisal district, a
7 property tax consultant, a property owner, an agent of a property
8 owner, or another person if the communication is made in the good
9 faith exercise of the officer's statutory duties.

10 SECTION 5. Section 41.01, Tax Code, is amended by adding
11 Subsections (c), (d), and (e) to read as follows:

12 (c) The appraisal review board by rule shall adopt
13 procedures for hearings the board conducts under this subchapter
14 and Subchapter C. Before adopting the hearing procedures, the
15 board shall hold a public hearing to consider the hearing
16 procedures proposed for adoption by the board. Not later than May
17 15 of each year, the board shall hold the hearing, make any
18 amendments to the proposed hearing procedures the board determines
19 are necessary, and by resolution finally adopt the hearing
20 procedures. The board must comply with Section 5.103(d) when
21 adopting the hearing procedures. The chairman of the board has
22 exclusive authority over the administration of hearing procedures
23 adopted by the board.

24 (d) The appraisal review board shall distribute copies of
25 the hearing procedures adopted by the board to the board of
26 directors of, and the taxpayer liaison officer for, the appraisal
27 district for which the appraisal review board is established and to

1 the comptroller not later than the 15th day after the date the board
2 adopts the hearing procedures.

3 (e) The appraisal review board shall post a copy of the
4 hearing procedures adopted by the board:

5 (1) in a prominent place in each room in which the
6 board conducts hearings under this subchapter and Subchapter C; and

7 (2) if the appraisal district for which the board is
8 established maintains an Internet website, on the appraisal
9 district's website.

10 SECTION 6. Section 41.461(a), Tax Code, is amended to read
11 as follows:

12 (a) At least 14 days before a hearing on a protest, the chief
13 appraiser shall:

14 (1) deliver a copy of the pamphlet prepared by the
15 comptroller under Section 5.06 to the property owner initiating the
16 protest, or to an agent representing the owner if requested by the
17 agent;

18 (2) inform the property owner that the owner or the
19 agent of the owner is entitled on request to a copy of the data,
20 schedules, formulas, and all other information the chief appraiser
21 will introduce at the hearing to establish any matter at issue; and

22 (3) deliver a copy of the hearing procedures adopted
23 ~~[established]~~ by the appraisal review board under Section 41.01
24 ~~[41.66]~~ to the property owner.

25 SECTION 7. Section 41.66, Tax Code, is amended by amending
26 Subsection (a) and adding Subsection (q) to read as follows:

27 (a) The appraisal review board shall conduct hearings in

1 accordance with the hearing procedures adopted by the appraisal
2 review board under Section 41.01(c) [~~establish by rule the~~
3 ~~procedures for hearings it conducts as provided by Subchapters A~~
4 ~~and C of this chapter~~]. On request made by a property owner in the
5 owner's notice of protest or in a separate writing delivered to the
6 appraisal review board on or before the date the notice of protest
7 is filed, the property owner is entitled to a copy of the hearing
8 procedures. The copy of the hearing procedures shall be delivered
9 to the property owner not later than the 10th day before the date
10 the hearing on the protest begins and may be delivered with the
11 notice of the protest hearing required under Section 41.46(a). The
12 notice of protest form prescribed by the comptroller under Section
13 41.44(d) or any other notice of protest form made available to a
14 property owner by the appraisal review board or the appraisal
15 office shall provide the property owner an opportunity to make or
16 decline to make a request under this subsection. [~~The appraisal~~
17 ~~review board shall post a copy of the hearing procedures in a~~
18 ~~prominent place in the room in which the hearing is held.~~]

19 (q) A person who owns property in an appraisal district or
20 the chief appraiser of an appraisal district may file a complaint
21 with the taxpayer liaison officer for the appraisal district
22 alleging that the appraisal review board established for the
23 appraisal district has adopted or is implementing hearing
24 procedures that are not in compliance with the model hearing
25 procedures prepared by the comptroller under Section 5.103 or is
26 not complying with procedural requirements under this chapter. The
27 taxpayer liaison officer shall investigate the complaint and report

1 the findings of the investigation to the board of directors of the
2 appraisal district. The board of directors shall direct the
3 chairman of the appraisal review board to take remedial action if,
4 after reviewing the taxpayer liaison officer's report, the board of
5 directors determines that the allegations contained in the
6 complaint are true. The board of directors may remove the member of
7 the appraisal review board serving as chairman of the appraisal
8 review board from that member's position as chairman if the board
9 determines that the chairman has failed to take the actions
10 necessary to bring the appraisal review board into compliance with
11 Section 5.103(d) or this chapter, as applicable.

12 SECTION 8. Chapter 41A, Tax Code, is amended by adding
13 Section 41A.015 to read as follows:

14 Sec. 41A.015. LIMITED BINDING ARBITRATION TO COMPEL
15 COMPLIANCE WITH CERTAIN PROCEDURAL REQUIREMENTS RELATED TO
16 PROTESTS. (a) A property owner who has filed a notice of protest
17 under Chapter 41 may file a request for limited binding arbitration
18 under this section to compel the appraisal review board or chief
19 appraiser, as appropriate, to:

20 (1) rescind procedural rules adopted by the appraisal
21 review board that are not in compliance with the model hearing
22 procedures prepared by the comptroller under Section 5.103;

23 (2) schedule a hearing on a protest as required by
24 Section 41.45;

25 (3) deliver information to the property owner in the
26 manner required by Section 41.461;

27 (4) allow the property owner to offer evidence,

1 examine or cross-examine witnesses or other parties, and present
2 arguments as required by Section 41.66(b);

3 (5) set a hearing for a time and date certain and
4 postpone a hearing that does not begin within two hours of the
5 scheduled time as required by Section 41.66(i);

6 (6) schedule hearings on protests concerning multiple
7 properties identified in the same notice of protest on the same day
8 at the request of the property owner or the property owner's
9 designated agent as required by Section 41.66(j); or

10 (7) refrain from using or offering as evidence
11 information requested by the property owner under Section 41.461
12 that was not delivered to the property owner at least 14 days before
13 the hearing as required by Section 41.67(d).

14 (b) A property owner may not file a request for limited
15 binding arbitration under this section unless:

16 (1) the property owner has delivered written notice to
17 the chairman of the appraisal review board, the chief appraiser,
18 and the taxpayer liaison officer for the applicable appraisal
19 district by certified mail, return receipt requested, of the
20 procedural requirement with which the property owner alleges the
21 appraisal review board or chief appraiser failed to comply on or
22 before the fifth business day after the date the appraisal review
23 board or chief appraiser was required to comply with the
24 requirement; and

25 (2) the chairman of the appraisal review board or
26 chief appraiser, as applicable, fails to deliver to the property
27 owner on or before the 10th day after the date the notice is

1 delivered a written statement confirming that the appraisal review
2 board or chief appraiser, as applicable, will comply with the
3 requirement or cure a failure to comply with the requirement.

4 (c) Except as otherwise provided by this subtitle, the
5 failure to comply with a procedural requirement listed under
6 Subsection (a) is not a ground for postponement of a hearing on a
7 protest. An appraisal review board may cure an alleged failure to
8 comply with a procedural requirement that occurred during a hearing
9 by rescinding the order determining the protest for which the
10 hearing was held and scheduling a new hearing on the protest.

11 (d) A property owner must request limited binding
12 arbitration under this section by filing a request with the
13 comptroller. The property owner may not file the request earlier
14 than the 11th day or later than the 30th day after the date the
15 property owner delivers the notice required by Subsection (b)(1) to
16 the chairman of the appraisal review board, the chief appraiser,
17 and the taxpayer liaison officer for the applicable appraisal
18 district.

19 (e) A request for limited binding arbitration under this
20 section must be in a form prescribed by the comptroller and be
21 accompanied by an arbitration deposit payable to the comptroller in
22 the amount of:

23 (1) \$450, if the property that is the subject of the
24 protest to which the arbitration relates qualifies as the property
25 owner's residence homestead under Section 11.13 and the appraised
26 or market value, as applicable, of the property is \$500,000 or less,
27 as determined by the appraisal district for the most recent tax

1 year; or

2 (2) \$550, for property other than property described
3 by Subdivision (1).

4 (f) The comptroller shall prescribe the form to be used for
5 submitting a request for limited binding arbitration under this
6 section. The form must require the property owner to provide:

7 (1) a statement that the property owner has provided
8 the written notice required by Subsection (b);

9 (2) a statement that the property owner has made the
10 arbitration deposit required by this section;

11 (3) a brief statement identifying the procedural
12 requirement with which the property owner alleges the appraisal
13 review board or chief appraiser, as applicable, has failed to
14 comply;

15 (4) a description of the action taken or not taken by
16 the appraisal review board or chief appraiser regarding the
17 procedural requirement identified under Subdivision (3);

18 (5) a description of the property to which the award
19 will apply; and

20 (6) any other information reasonably necessary for the
21 comptroller to appoint an arbitrator.

22 (g) On receipt of the request and deposit under this
23 section, the comptroller shall appoint an arbitrator from the
24 registry maintained under Section 41A.06 who is eligible to serve
25 as an arbitrator under Subsection (p) of this section. Section
26 41A.07(h) does not apply to the appointment of an arbitrator under
27 this section.

1 (h) The appraisal review board, the chief appraiser, and the
2 property owner are parties to a limited binding arbitration
3 conducted under this section. The appraisal review board may
4 appear by counsel, by the chairman, or by a person designated by the
5 chairman. The chief appraiser may appear by counsel, in person, or
6 by a designated employee. The property owner may appear in the
7 manner provided by Section 41A.08(b)(2), (3), (4), or (5).

8 (i) The arbitrator shall make an arbitration award and
9 deliver an electronic copy of the award to:

10 (1) the property owner;

11 (2) the chairman of the appraisal review board;

12 (3) the chief appraiser; and

13 (4) the comptroller.

14 (j) An award under this section:

15 (1) shall include a determination of whether the
16 appraisal review board or chief appraiser failed to comply with a
17 procedural requirement as alleged in the request for limited
18 binding arbitration;

19 (2) if the arbitrator determines that the appraisal
20 review board or chief appraiser failed to comply with a procedural
21 requirement as alleged in the request, shall direct the appraisal
22 review board or chief appraiser, as applicable, to:

23 (A) comply with the procedural requirement; or

24 (B) if the hearing on the protest has been held
25 and the appraisal review board has issued an order determining the
26 protest, rescind the order and hold a new hearing on the protest
27 that complies with the procedural requirement;

- (3) shall specify the arbitrator's fee;
- (4) is final and may not be appealed; and
- (5) is enforceable as provided by Section 41A.09.

(k) If the arbitrator determines that the appraisal review board or chief appraiser failed to comply with the procedural requirement that was the subject of the limited binding arbitration:

(1) the comptroller, on receipt of a copy of the award, shall refund the property owner's arbitration deposit, less the amount retained by the comptroller under Section 41A.05(b); and

(2) the appraisal district shall pay the arbitrator's fee.

(l) If the arbitrator determines that the appraisal review board or chief appraiser complied with the procedural requirement that was the subject of the limited binding arbitration, the comptroller shall:

(1) pay the arbitrator's fee out of the owner's arbitration deposit; and

(2) refund to the owner the owner's arbitration deposit, less the arbitrator's fee and the amount retained by the comptroller under Section 41A.05(b).

(m) As soon as practicable after receiving notice of an award, the appraisal review board or the chief appraiser shall:

(1) take any action required to comply with the requirements of the award; and

(2) if the award requires the appraisal review board to conduct a new hearing under Chapter 41, schedule and conduct the

1 hearing.

2 (n) An award under this section does not affect the property
3 owner's right to appeal the final determination of a protest by the
4 appraisal review board under Chapter 42.

5 (o) A property owner may request a single limited binding
6 arbitration under this section that covers more than one property,
7 more than one protest hearing, or an allegation of the failure by
8 the appraisal review board or chief appraiser to comply with more
9 than one procedural requirement so long as the requirements of
10 Subsection (b) are met with regard to each alleged failure to
11 comply. The amount of the arbitration deposit and the amount of the
12 arbitrator's fee are computed as if a single property were the
13 subject of the arbitration. If the arbitration involves property
14 described by Subsection (e)(1) and property described by Subsection
15 (e)(2), the amount of the arbitration deposit and the amount of the
16 arbitrator's fee are computed as if only the property described by
17 Subsection (e)(2) were the subject of the arbitration. If the
18 arbitration involves an allegation of the failure by the appraisal
19 review board or chief appraiser to comply with more than one
20 procedural requirement, Subsection (k) applies if the arbitrator
21 determines that the appraisal review board or chief appraiser
22 failed to comply with one or more of the procedural requirements
23 that were the subject of the arbitration and Subsection (l) applies
24 if the arbitrator determines that the appraisal review board or
25 chief appraiser complied with all of the procedural requirements
26 that were the subject of the arbitration.

27 (p) Section 41A.06 applies to the registration and

1 qualification of an arbitrator under this section except that an
2 arbitrator under this section must:

3 (1) be a licensed attorney; and

4 (2) agree to conduct an arbitration for a fee that is
5 not more than:

6 (A) \$400 if the property is described by
7 Subsection (e)(1); or

8 (B) \$500 if the property is described by
9 Subsection (e)(2).

10 (g) Except as otherwise provided by this section, the
11 provisions of this chapter apply to a limited binding arbitration
12 under this section. In the event of a conflict between this section
13 and another provision of this chapter, this section controls.

14 SECTION 9. This Act takes effect immediately if it receives
15 a vote of two-thirds of all the members elected to each house, as
16 provided by Section 39, Article III, Texas Constitution. If this
17 Act does not receive the vote necessary for immediate effect, this
18 Act takes effect September 1, 2021.