

AN ACT

relating to the appeal of certain ad valorem tax determinations through binding arbitration.

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

SECTION 1. Section 41A.03, Tax Code, is amended by amending Subsection (a) and adding Subsections (c) and (d) to read as follows:

(a) To appeal an appraisal review board order under this chapter, a property owner must file with the comptroller [~~appraisal district~~] not later than the 60th day after the date the property owner receives notice of the order:

(1) a completed request for binding arbitration under this chapter in the form prescribed by Section 41A.04; and

(2) an arbitration deposit [~~made payable to the comptroller~~] in the amount of:

(A) \$450, if the property qualifies as the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is \$500,000 or less, as determined by the order;

(B) \$500, if the property qualifies as the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is more than \$500,000, as determined by the order;

(C) \$500, if the property does not qualify as the

1 owner's residence homestead under Section 11.13 and the appraised
2 or market value, as applicable, of the property is \$1 million or
3 less, as determined by the order;

4 (D) \$800, if the property does not qualify as the
5 owner's residence homestead under Section 11.13 and the appraised
6 or market value, as applicable, of the property is more than \$1
7 million but not more than \$2 million, as determined by the order;

8 (E) \$1,050, if the property does not qualify as
9 the owner's residence homestead under Section 11.13 and the
10 appraised or market value, as applicable, of the property is more
11 than \$2 million but not more than \$3 million, as determined by the
12 order; or

13 (F) \$1,550, if the property does not qualify as
14 the owner's residence homestead under Section 11.13 and the
15 appraised or market value, as applicable, of the property is more
16 than \$3 million but not more than \$5 million, as determined by the
17 order.

18 (c) If a property owner files a request for binding
19 arbitration through an electronic system, the property owner must
20 pay the arbitration deposit required by Subsection (a) through the
21 electronic system.

22 (d) If a property owner does not file a request for binding
23 arbitration through an electronic system, the property owner must
24 pay the arbitration deposit required by Subsection (a) by check or
25 money order made payable to the comptroller or by another form of
26 payment acceptable to the comptroller.

27 SECTION 2. Section 41A.04, Tax Code, is amended to read as

1 follows:

2 Sec. 41A.04. CONTENTS OF REQUEST FORM. The comptroller by
3 rule shall prescribe the form of a request for binding arbitration
4 under this chapter. The form must require the property owner to
5 provide only:

6 (1) a brief statement that explains the basis for the
7 property owner's appeal of the appraisal review board order;

8 (2) a statement of the property owner's opinion of the
9 appraised or market value, as applicable, of the property that is
10 the subject of the appeal; and

11 (3) any other information reasonably necessary for the
12 comptroller to process the request and appoint ~~[appraisal district~~
13 ~~to request appointment of]~~ an arbitrator.

14 SECTION 3. Section 41A.05(a), Tax Code, is amended to read
15 as follows:

16 (a) Not later than the 10th day after the date an appraisal
17 district receives notification that a ~~[from a property owner a~~
18 ~~completed]~~ request for binding arbitration has been filed ~~[under~~
19 ~~this chapter and an arbitration deposit as required by Section~~
20 41A.03], the appraisal district shall, in the manner prescribed by
21 the comptroller, provide to the comptroller any information
22 reasonably necessary for the comptroller to process the request and
23 appoint an arbitrator [+

24 ~~[(1) submit the request and deposit to the~~
25 ~~comptroller, and~~

26 ~~[(2) request the comptroller to appoint a qualified~~
27 ~~arbitrator to conduct the arbitration].~~

1 SECTION 4. Section 41A.08, Tax Code, is amended by adding
2 Subsections (c), (d), and (e) to read as follows:

3 (c) The designation of an agent by a property owner under
4 this section must be made by written authorization on a form
5 prescribed by the comptroller and signed by the property owner or an
6 authorized individual other than an agent designated under Section
7 1.111. The designation must authorize the agent to represent the
8 owner in an arbitration proceeding under this chapter. The
9 designation takes effect when the property owner or authorized
10 individual signs the form.

11 (d) A property owner's agent shall retain the form described
12 by Subsection (c) and shall produce the form immediately upon
13 request from:

14 (1) the property owner or authorized individual
15 described by Subsection (c);

16 (2) the appraisal district that is party to the
17 arbitration under this chapter;

18 (3) the appraisal review board that is party to the
19 arbitration under this chapter;

20 (4) the arbitrator assigned to the arbitration under
21 this chapter; or

22 (5) the comptroller.

23 (e) Notwithstanding any other law, a property owner may
24 assign to an agent or entity the property owner's right to receive a
25 refund of an arbitration deposit. An assignment under this
26 subsection must be made in writing on a form prescribed by the
27 comptroller.

1 SECTION 5. Section 41A.11, Tax Code, is amended to read as
2 follows:

3 Sec. 41A.11. POSTAPPEAL ADMINISTRATIVE PROCEDURES. An
4 arbitration award or settlement reached between the parties to an
5 arbitration under this chapter is considered to be a final
6 determination of an appeal for purposes of Subchapter C, Chapter
7 42.

8 SECTION 6. The change in law made by this Act applies only
9 to a request for arbitration made on or after the effective date of
10 this Act.

11 SECTION 7. This Act takes effect January 1, 2024.

S.B. No. 2355

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 2355 passed the Senate on April 4, 2023, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

I hereby certify that S.B. No. 2355 passed the House on May 12, 2023, by the following vote: Yeas 140, Nays 0, two present not voting.

Chief Clerk of the House

Approved:

Date

Governor