

1-1 By: Bettencourt S.B. No. 2355
 1-2 (In the Senate - Filed March 10, 2023; March 23, 2023, read
 1-3 first time and referred to Committee on Local Government;
 1-4 March 29, 2023, reported favorably by the following vote: Yeas 7,
 1-5 Nays 0; March 29, 2023, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7 Bettencourt	X			
1-8 Springer	X			
1-9 Eckhardt	X			
1-10 Gutierrez			X	
1-11 Hall	X			
1-12 Nichols	X			
1-13 Parker	X			
1-14 Paxton	X			
1-15 West			X	

1-17 A BILL TO BE ENTITLED
 1-18 AN ACT

1-19 relating to the appeal of certain ad valorem tax determinations
 1-20 through binding arbitration.

1-21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-22 SECTION 1. Section 41A.03, Tax Code, is amended by amending
 1-23 Subsection (a) and adding Subsections (c) and (d) to read as
 1-24 follows:

1-25 (a) To appeal an appraisal review board order under this
 1-26 chapter, a property owner must file with the comptroller [~~appraisal~~
 1-27 ~~district~~] not later than the 60th day after the date the property
 1-28 owner receives notice of the order:

1-29 (1) a completed request for binding arbitration under
 1-30 this chapter in the form prescribed by Section 41A.04; and

1-31 (2) an arbitration deposit [~~made payable to the~~
 1-32 ~~comptroller~~] in the amount of:

1-33 (A) \$450, if the property qualifies as the
 1-34 owner's residence homestead under Section 11.13 and the appraised
 1-35 or market value, as applicable, of the property is \$500,000 or less,
 1-36 as determined by the order;

1-37 (B) \$500, if the property qualifies as the
 1-38 owner's residence homestead under Section 11.13 and the appraised
 1-39 or market value, as applicable, of the property is more than
 1-40 \$500,000, as determined by the order;

1-41 (C) \$500, if the property does not qualify as the
 1-42 owner's residence homestead under Section 11.13 and the appraised
 1-43 or market value, as applicable, of the property is \$1 million or
 1-44 less, as determined by the order;

1-45 (D) \$800, if the property does not qualify as the
 1-46 owner's residence homestead under Section 11.13 and the appraised
 1-47 or market value, as applicable, of the property is more than \$1
 1-48 million but not more than \$2 million, as determined by the order;

1-49 (E) \$1,050, if the property does not qualify as
 1-50 the owner's residence homestead under Section 11.13 and the
 1-51 appraised or market value, as applicable, of the property is more
 1-52 than \$2 million but not more than \$3 million, as determined by the
 1-53 order; or

1-54 (F) \$1,550, if the property does not qualify as
 1-55 the owner's residence homestead under Section 11.13 and the
 1-56 appraised or market value, as applicable, of the property is more
 1-57 than \$3 million but not more than \$5 million, as determined by the
 1-58 order.

1-59 (c) If a property owner files a request for binding
 1-60 arbitration through an electronic system, the property owner must
 1-61 pay the arbitration deposit required by Subsection (a) through the

2-1 electronic system.

2-2 (d) If a property owner does not file a request for binding
 2-3 arbitration through an electronic system, the property owner must
 2-4 pay the arbitration deposit required by Subsection (a) by check or
 2-5 money order made payable to the comptroller or by another form of
 2-6 payment acceptable to the comptroller.

2-7 SECTION 2. Section 41A.04, Tax Code, is amended to read as
 2-8 follows:

2-9 Sec. 41A.04. CONTENTS OF REQUEST FORM. The comptroller by
 2-10 rule shall prescribe the form of a request for binding arbitration
 2-11 under this chapter. The form must require the property owner to
 2-12 provide only:

2-13 (1) a brief statement that explains the basis for the
 2-14 property owner's appeal of the appraisal review board order;

2-15 (2) a statement of the property owner's opinion of the
 2-16 appraised or market value, as applicable, of the property that is
 2-17 the subject of the appeal; and

2-18 (3) any other information reasonably necessary for the
 2-19 comptroller to process the request and appoint ~~[appraisal district~~
 2-20 ~~to request appointment of]~~ an arbitrator.

2-21 SECTION 3. Section 41A.05(a), Tax Code, is amended to read
 2-22 as follows:

2-23 (a) Not later than the 10th day after the date an appraisal
 2-24 district receives notification that a ~~[from a property owner a~~
 2-25 ~~completed]~~ request for binding arbitration has been filed ~~[under~~
 2-26 ~~this chapter and an arbitration deposit as required by Section~~
 2-27 ~~41A.03]~~, the appraisal district shall, in the manner prescribed by
 2-28 the comptroller, provide to the comptroller any information
 2-29 reasonably necessary for the comptroller to process the request and
 2-30 appoint an arbitrator[+.

2-31 ~~[(1) submit the request and deposit to the~~
 2-32 ~~comptroller; and~~

2-33 ~~[(2) request the comptroller to appoint a qualified~~
 2-34 ~~arbitrator to conduct the arbitration].~~

2-35 SECTION 4. Section 41A.08, Tax Code, is amended by adding
 2-36 Subsections (c), (d), and (e) to read as follows:

2-37 (c) The designation of an agent by a property owner under
 2-38 this section must be made by written authorization on a form
 2-39 prescribed by the comptroller and signed by the property owner or an
 2-40 authorized individual other than an agent designated under Section
 2-41 1.111. The designation must authorize the agent to represent the
 2-42 owner in an arbitration proceeding under this chapter. The
 2-43 designation takes effect when the property owner or authorized
 2-44 individual signs the form.

2-45 (d) A property owner's agent shall retain the form described
 2-46 by Subsection (c) and shall produce the form immediately upon
 2-47 request from:

2-48 (1) the property owner or authorized individual
 2-49 described by Subsection (c);

2-50 (2) the appraisal district that is party to the
 2-51 arbitration under this chapter;

2-52 (3) the appraisal review board that is party to the
 2-53 arbitration under this chapter;

2-54 (4) the arbitrator assigned to the arbitration under
 2-55 this chapter; or

2-56 (5) the comptroller.

2-57 (e) Notwithstanding any other law, a property owner may
 2-58 assign to an agent or entity the property owner's right to receive a
 2-59 refund of an arbitration deposit. An assignment under this
 2-60 subsection must be made in writing on a form prescribed by the
 2-61 comptroller.

2-62 SECTION 5. Section 41A.11, Tax Code, is amended to read as
 2-63 follows:

2-64 Sec. 41A.11. POSTAPPEAL ADMINISTRATIVE PROCEDURES. An
 2-65 arbitration award or settlement reached between the parties to an
 2-66 arbitration under this chapter is considered to be a final
 2-67 determination of an appeal for purposes of Subchapter C, Chapter
 2-68 42.

2-69 SECTION 6. The change in law made by this Act applies only

3-1 to a request for arbitration made on or after the effective date of
3-2 this Act.

3-3 SECTION 7. This Act takes effect January 1, 2024.

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