

BILL ANALYSIS

C.S.H.B. 396
By: Mowery
Local Government Ways and Means
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Under current law, a taxpayer is required to appeal the decision of an appraisal review board to the district court. Appeals to a district court are often costly for the parties involved and these expenses may prevent those who cannot afford the costs from taking their appeal to court. Litigation costs are lower in small claims court, but taxpayers are not allowed to appeal a decision of the appraisal review board to such a court.

C.S.H.B. 396 allows a taxpayer to appeal a decision of the appraisal review board to a small claims court if the amount of taxes in dispute is within the jurisdiction of the small claims court and sets forth procedures for the court's handling of the appeal.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

SECTION 1. Amends Subsection 41.47(e), Tax Code, as follows:

Provides that the notice of an issuance of an order by an appraisal review board must contain a statement of the property owner's right to appeal the board's decision to small claims court.

SECTION 2. Amends the heading of Subchapter B, Chapter 42, Tax Code, to read as follows:

JUDICIAL REVIEW.

SECTION 3. Amends Subsection 42.21(a), Tax Code, to make conforming changes.

SECTION 4. Amends Subchapter B, Chapter 42, Tax Code, by adding Sections 42.211 and 42.212 as follows:

Authorizes a property owner to appeal an order of an appraisal review board to a small claims court instead of district court if the amount of taxes in dispute is within the jurisdiction of that small claims court.

Requires a small claims court to dismiss the appeal if the court determines that the appeal is not within the court's jurisdiction. If dismissed, a property owner may appeal the order to district court by filing a petition for review with the district court not later than the 30th day after the date of the dismissal.

Authorizes, but does not require, an appraisal review board to be represented by legal counsel.

- SECTION 5. Amends Section 42.22, Tax Code, as follows:
- Provides that the venue of an action in small claims court is in any justice precinct in the county in which the appraisal review board that issued the order appealed is located.
- SECTION 6. Amends Subsection 42.23(a), Tax Code, to make conforming changes.
- SECTION 7. Amends Section 42.24, Tax Code, to make conforming changes.
- SECTION 8. Amends Subsections 42.26(a) and (d), Tax Code, to make conforming changes.
- SECTION 9. Amends Subchapter B, Chapter 42, Tax Code, by adding Section 42,27 to prohibit an appeal from a small claims court decision.
- SECTION 10. Amends Section 28.003, Government Code, to make conforming changes.
- SECTION 11. Amends Section 28.011, Government Code, to make conforming changes.
- SECTION 12. Effective date.

EFFECTIVE DATE

September 1, 2003.

COMPARISON OF ORIGINAL TO SUBSTITUTE

C.S.H.B.396 authorizes, but does not require, an appraisal review board to be represented by legal counsel. H.B. 396 contained no such provision.

C.S.H.B. 396 provides that the venue of an action in small claims court is in any justice precinct in the county in which the appraisal review board that issued the order appealed is located. H.B. 396 includes this provision but also allows venue to be in any justice precinct in the county in which the property is located.

C.S.H.B. 396 amends the Government Code to specifically authorize small claims courts to hear appeals brought from appraisal review boards.