

BILL ANALYSIS

C.S.H.B. 2492

By: Puente

Local Government Ways & Means
Committee Report (Substituted)

BACKGROUND AND PURPOSE

A taxpayer may only sue an appraisal district under Section 42.01 over an order of the appraisal review board or a determination of a motion filed under Section 25.25. Essentially, a taxpayer is limited to legal actions over the value or other determination by the appraisal review board of their property. Currently, under section 43.01, a taxing unit may sue an appraisal district that appraises property for that unit to compel the appraisal district to comply with the provisions of the Tax Code, rules of the comptroller, or other applicable law. However, a taxpayer is not granted the same legal option.

Many appraisal districts knowingly and routinely violate the provisions of the Tax Code, rules of the comptroller, and other applicable laws because taxpayers may not currently bring suit for those types of violations. This bill would enable taxpayers to sue appraisal districts and appraisal review boards for violating laws and rules. A taxpayer is required to pay \$500 into the registry of the court in order to file suit. To prevail in the suit, a taxpayer would have to show that the failure to comply causes or will cause substantial economic harm to or denial of a statutory or constitutional right. If the taxpayer prevails, the court will issue an order compelling the appraisal district to comply with applicable law and requiring the recovery of costs of the prevailing party.

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

This bill amends Section 43.01 of the Tax Code by adding subsections (b), (c) and (d).

Subsection (b) provides that a person may sue an appraisal district to compel the appraisal district or appraisal review board to comply with the provisions of the Tax Code, rules of the comptroller, or other applicable law if the failure to comply causes or will cause substantial economic harm to or denial of statutory or constitutional right. This provision requires the person to pay \$500 into the registry of the court to initiate suit. It further states that the court shall distribute that amount to the prevailing party on entry of the final judgment.

Subsection (c) provides that if the person bringing suit prevails, the court shall enter an order compelling the appraisal district or appraisal review board to comply with applicable law and ordering that the prevailing party recover its costs.

Subsection (d) states that the subsection applies only to a matter that may not be the subject of a protest under Subchapter C, Chapter 41 or Section 25.25 (c) or (d).

EFFECTIVE DATE

The Act takes effect September 1, 2005.

COMPARISON OF ORIGINAL TO SUBSTITUTE

CSHB 2492 adds language to (b) and adds section (d).

CSHB 2492(b): The phrase " or appraisal review board" is added to the first sentence. The language "causes or will cause substantial economic harm to or denial of a statutory or constitutional right" replaces the original language of "prejudices a substantial right."

CSHB 2492(c): The phrase "or appraisal review board" is added to the first sentence.

CSHB 2492(d): This section is new, but is substantially similar to the language in the original section (b). The section adds the phrase "subject of a motion under Section 25.25(c) or (d) or protest challenge under Chapter 41." The original bill referred only to Subchapter C, Chapter 41.