

BILL ANALYSIS

C.S.H.B. 3194
By: Hill
Local Government Ways & Means
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Current law limits the number of property owners who are entitled to appeal an appraisal review board order through binding arbitration as an alternative to filing a lawsuit. Current law regarding binding arbitration of appraisal review board orders also limits the types of professionals who may represent a party to a binding arbitration and contains no continuing qualification requirements for an arbitrator once that arbitrator is initially qualified to serve.

C.S.H.B. 3194 amends limitations on who is entitled to appeal an appraisal review board order through binding arbitration, increases eligibility requirements to serve as an arbitrator and expands the list of professionals who may represent a party to a binding arbitration proceeding. C.S.H.B. 3194 also limits who is eligible to serve as an arbitrator and amends statutory restrictions on arbitration awards.

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

C.S.H.B. 3194 removes current statutory limitations to entitle a property owner to appeal through binding arbitration an appraisal review board order determining a protest regarding the appraised value of the owner's property or, in the case of land appraised as provided by Subchapter C, D, E, or H, Chapter 23, Tax Code, determination of its appraised or market value, or a protest regarding unequal appraisal of the owner's property. In addition to current requirements for qualification as an arbitrator, the bill requires a person to have been licensed or certified continuously during the five years preceding the date the person agrees to serve as an arbitrator as a real estate broker, salesperson or appraiser. The bill clarifies that an arbitrator is registered for a two-year period.

The bill further creates new criteria for subsequent qualification as an arbitrator, requiring a person to renew the person's agreement with the comptroller to serve as an arbitrator on or as near as possible to the date on which the person's license or certification as a real estate broker, salesperson or appraiser is renewed and to complete at least eight hours of continuing education in arbitration and alternative dispute resolution procedures. The bill also allows a certified public accountant to represent a party to an arbitration proceeding.

EFFECTIVE DATE

The Act becomes effective upon passage or September 1, 2007.

COMPARISON OF ORIGINAL TO SUBSTITUTE

C.S.H.B.3194 amends current statutory limits on the right of a property owner to appeal through binding arbitration an appraisal review board order determining a protest brought under Sec. 41.41(a)(1) or (a)(2), Tax Code, to allow an appeal only if the property qualifies as the owner's residence, the appraised or market value of the property as determined by the order is \$1 million or less, or the chief appraiser consent to the appeal through binding arbitration. The substitutes further limits the right of appeal under Sec. 41.41(a)(2) if the property owner was represented

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before the appraisal review board by a property tax consultant and the owner or consultant did not timely provide to the chief appraiser copies of all evidence the owner or consultant used in the hearing.

The substitute adds to what must be included in the form used to request an appeal through binding arbitration and provides a process for a chief appraiser to consent to binding arbitration. The substitute prohibits a registered property tax consultant and certain persons who perform property tax consulting services from serving as an arbitrator. The substitute amends current statutory requirements relating to an arbitration award.