

BILL ANALYSIS

C.S.H.B. 3490

By: Otto

Local Government Ways & Means
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Texas law allows a chief appraiser, upon the approval of the board of directors of the central appraisal district, to file an appeal against a property owner after an Appraisal Review Board determination order in favor of the owner.

C.S.H.B. 3490 will prohibit a chief appraiser from filing an appeal against a property owner after an ARB determination order in favor of the owner if the value of the property is less than \$1 million in value.

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. The bill amends Section 42.02, Tax Code, by adding a new subsection (b) to state the chief appraiser may not appeal an order of the appraisal review board determining a taxpayer protest under Subsection (a)(1) if:

- (1) the protest involved a determination of the appraised or market value of the taxpayer's property and that value according to the order that is the subject of the appeal is less than \$1 million; or
- (2) for any other taxpayer protest, the property to which the protest applies has an appraised value according to the appraisal roll for the current year of less than \$1 million.

SECTION 2. The change in law made by this Act applies only to an appeal by a chief appraiser from an order of an appraisal review board that was issued on or after the effective date of this Act. An appeal by a chief appraiser from an order of an appraisal review board that was issued before the effective date of this Act is governed by the law in effect when the order of the appraisal review board was issued and the former law is continued in effect for that purpose.

EFFECTIVE DATE

This Act takes effect immediately if approved by two-thirds of all members; otherwise this Act takes effect September 1, 2007.

COMPARISON OF THE ORIGINAL TO THE SUBSTITUTE

The substitute adds Subsection (c) to Sec. 42.02, Tax Code, which states the chief appraiser may appeal an order of the appraisal review board if the chief appraiser alleges the taxpayer (or a person acting on their behalf) committed fraud or made a material misrepresentation in the hearing before the appraisal review board. And should the court not find a preponderance of the evidence that the taxpayer committed fraud, the court shall dismiss the appeal.

The substitute also says if there is no finding of fraud by the taxpayer as alleged by the CAD, the CAD is responsible for reasonable attorney's fees and court costs incurred by the property owner.