

BILL ANALYSIS

H.B. 3493

By: Otto

Local Government Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The appraisal process in Texas is complicated. Taxpayers, as well as taxing entities, struggle with the process we have in place. The process is largely subjective, and in almost any given year on any given property there can be a disagreement with the appraised values. There are appraisal districts in Texas that do a fine job carrying out their duties and responsibilities and are excellent examples of how the system should work, but unfortunately, there are far too many appraisal districts that have failed the taxpayers.

Texas statutes put in place a training and continuing education system to help the men and women who are tasked with carrying out the appraisal process. It is the responsibility of the Board of Tax Professional Examiners (BTPE) to establish, maintain and administer a state-wide program of registration, education, experience, testing, and certification of elected and appointed public servants that promotes an equitable tax system for all persons in Texas.

HB 3493 strengthens the appraisal process by adding two public members to the BTPE board, adds that the comptroller will serve as an advisory member of the Board, changes the continuing education requirement of a chief appraiser and a property tax appraiser and adds certain topics to be included in the training of a chief appraiser.

Additionally, HB 3493 adds guidelines for the training of a appraisal review board members and allows the comptroller to contract with outside service providers to assist with this training.

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: Reenacts and amends Section 1151.051, Occupations Code, as amended by Chapters 815 and 1170, Acts of the 78th legislature, Regular Session, 2003 by changing the number of board members of the Board of Tax Professional Examiners (BTPE) from five to seven members. Of these seven members, the number of members who represent the public changes from one person to three people. States the Comptroller shall serve on the board in an advisory capacity, is not entitled to vote on any board action and does not have any of the duties or liabilities of board membership.

SECTION 2: Amends Section 1151.052, Occupations Code, to stagger the terms of the board members.

SECTION 3: Amends Section 1151.1581, Occupations Code, which is the continuing education program the board administers for its licensed holders. The newly added Subsection (b) states that the board shall require a chief appraiser annually to demonstrate successful completion of 16 hours of continuing education in the topics of appraisal methods; property tax law, including exemptions, special appraisal qualifications, and taxpayer protest procedures; appraisal review board procedures and law; and communication with taxpayers. Also states the board shall require a property tax appraiser to annually demonstrate successful completion of eight hours of continuing education in appraisal methods and property tax law.

SECTION 4: Amends Section 1151.164(b), Occupations Code, which is the statute for the training program for chief appraisers. It adds language making communication with taxpayers a part of the program; adds to the program the study of property tax law, including exemptions, special appraisal qualifications, and taxpayer protest procedures; and appraisal procedures.

SECTION 5: Amends Section 5.041, Tax Code, which is the statute for the training of appraisal review board members. It amends Subsection (b) by stating the course may not be less than eight hours in length;

Adds Subsection (e-1) to state that the comptroller shall approve the curricula and provide materials for use in a continuing education course for members of an appraisal review board; states the course may not be less than four hours in length; states that as soon as possible after the beginning of the second year of the member's term in office, they must successfully complete the course established under this subsection; states a person who fails to timely complete the course may not be reappointed to an additional term on the appraisal review board; if the person is reappointed to serve an additional term, they must successfully complete the course established under this section in each year the member continues to serve.

Adds Subsection (e-2) to state that the comptroller may contract with service providers to assist with the duties imposed under Subsection (e-1), but the course required by the subsection may not be provided by an appraisal district or taxing unit; says the comptroller may assess a fee to recover a portion of the costs incurred for the continuing education course, but the fee may not exceed \$25.00 per person trained.

SECTION 6: States that as soon as possible on or after September 1, 2007, the governor with the advice and consent of the senate shall appoint two members representing the general public to the Board of Tax professional Examiners. One member whose term expires March 1, 2011, and one whose term is to expire March 1, 2013.

SECTION 7: States that the changes in law made by this Act to continuing education requirements under Section 1151.1581, Occupations Code, and sections 5.014, Tax Code, as amended by this Act, apply only to a license or term of office that expires on or after the effective date of the Act.

SECTION 8: States the effective date is September 1, 2007.

EFFECTIVE DATE

September 1, 2007.