

BILL ANALYSIS

H.B. 3496

By: Otto

Local Government Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Currently, all property owners are afforded the opportunity to protest the appraisal valuation of their property to the Appraisal Review Board. Many property owners settle their case during an informal hearing with appraisal staff of the central appraisal district. The remaining property owners move forward to the ARB formal process. However, during the ARB process, homeowners are lumped in with all other property owners, namely commercial property owners, and must wait patiently while property tax consultants argue mostly commercial valuation case. Homeowners should be afforded more time to talk to appraisal districts to help alleviate the “cattle call” many of them experience when contesting their property appraisals.

H.B. 3496 requires the chief appraiser to deliver notice of the appraised value of a single-family resident by April 1st of each year or as soon as practicable thereafter.

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 25.19(a), Tax Code, to require by April 1st or as soon thereafter as practicable if the property is a single-family residence that qualifies for an exemption under Section 11.13, or by May 1st or as soon thereafter as practicable in connection with any other property, the chief appraiser shall deliver a clear and understandable written notice to a property owner of the appraised value of the property owner's property if:

- (1) the appraised value of the property is greater than it was in the preceding year;
- (2) the appraised value of the property is greater than the value rendered by the property owner; or
- (3) the property was not on the appraisal roll in the preceding year.

The bill amends Section 25.19(g), Tax Code, to require by April 1st or as soon thereafter as practicable if the property is a single-family residence that qualifies for an exemption under Section 11.13, or by May 1st or as soon thereafter as practicable in connection with any other property, the chief appraiser shall deliver a written notice to the owner of each property not included in a notice required to be delivered under Subsection (a), if the property was reappraised in the current tax year, if the ownership of the property changed during the preceding year, or if the property owner or the agent of a property owner authorized under Section 1.111 makes a written request for the notice. The chief appraiser shall separate real from personal property and include in the notice for each property:

- (1) the appraised value of the property in the preceding year;
- (2) the appraised value of the property for the current year and the kind of each partial exemption, if any, approved for the current year;
- (3) a detailed explanation of the time and procedure for protesting the value; and
- (4) the date and place the appraisal review board will begin hearing protests.

SECTION 2. The bill amends Section 41.11(a), Tax Code, to require not later than the date the appraisal review board approves the appraisal records as provided by Section 41.12, the secretary of the board shall deliver written notice to a property owner of any change in the records that is ordered by the board as provided by this subchapter and that will result in an increase in the tax

liability of the property owner. An owner who receives a notice as provided by this section shall be entitled to protest such action as provided by Section 41.44(a)(3).

SECTION 3. The bill amends Section 41.44(a), Tax Code, to be entitled to an ARB hearing, the property owner must before May 1st or not later than the 30th day after the date that notice to the property owner was delivered to the property owner as provided by Section 25.19, if the property is a single-family residence that qualifies for an exemption under Section 11.13, whichever is later and before June 1st or not later than the 30th day after the date that notice was delivered to the property owner as provided by Section 25.19 in connection with any other property, whichever is later.

The bill adds a new subsection (b-1), Section 41.44, Tax Code, to state notwithstanding Subsection (a)(1), an owner of property described by that subsection who files a notice of protest after the deadline prescribed by that subsection but before the appraisal review board approves the appraisal records is entitled to a hearing and determination of the protest if the property owner files the notice before June 1.

The bill amends Section 41.44(c), Tax Code, to state a property owner who files notice of a protest authorized by Section 41.411 is entitled to a hearing and determination of the protest if the property owner files the notice prior to the date the taxes on the property to which the notice applies become delinquent. An owner of land who files a notice of protest under Subsection (a)(4) is entitled to a hearing and determination of the protest without regard to whether the appraisal records are approved.

SECTION 4. This Act applies only to an ad valorem tax year that begins on or after the effective date of this Act.

EFFECTIVE DATE

This Act takes effect January 1, 2008.