

By: Gattis

H.B. No. 3412

A BILL TO BE ENTITLED

AN ACT

relating to the award of attorney's fees in a judicial appeal of certain ad valorem tax determinations.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 42.29, Tax Code, is amended to read as follows:

Sec. 42.29. ATTORNEY'S FEES. ~~[(a)]~~ A property owner who prevails in an appeal to a ~~[the]~~ court under Section 42.01, 42.02, or 42.031 ~~[42.25 or 42.26]~~ may be awarded reasonable attorney's fees. ~~[The amount of the award may not exceed the greater of:~~

~~[(1) \$15,000; or~~

~~[(2) 20 percent of the total amount by which the property owner's tax liability is reduced as a result of the appeal.~~

~~[(b) Notwithstanding Subsection (a), the amount of an award of attorney's fees may not exceed the lesser of:~~

~~[(1) \$100,000; or~~

~~[(2) the total amount by which the property owner's tax liability is reduced as a result of the appeal.]~~

SECTION 2. Section 42.225(a), Tax Code, is amended to read as follows:

(a) On motion by a property owner who appeals an appraisal review board order under this chapter, the court shall submit the appeal to nonbinding arbitration. The court shall order the nonbinding arbitration to be conducted in accordance with Chapter

1 154, Civil Practice and Remedies Code. If the appeal proceeds to
2 trial following an arbitration award or finding under this
3 subsection, either party may introduce the award or finding into
4 evidence. In addition, the court shall award the property owner
5 reasonable attorney fees if the trial was not requested by the
6 property owner and the determination of the appeal results in an
7 appraised value for the owner's property that is equal to or less
8 than the appraised value under the arbitration award or finding.
9 ~~[However, the amount of an award of attorney fees under this~~
10 ~~subsection is subject to the same limitations as those provided by~~
11 ~~Section 42.29.]~~

12 SECTION 3. The changes in law to Sections 42.225 and 42.29,
13 Tax Code, made by this Act apply only to an appeal under Chapter 42,
14 Tax Code, that is filed on or after the effective date of this Act.
15 An appeal under Chapter 42, Tax Code, that was filed before the
16 effective date of this Act is governed by the law in effect on the
17 date the appeal was filed, and the former law is continued in effect
18 for that purpose.

19 SECTION 4. This Act takes effect immediately if it receives
20 a vote of two-thirds of all the members elected to each house, as
21 provided by Section 39, Article III, Texas Constitution. If this
22 Act does not receive the vote necessary for immediate effect, this
23 Act takes effect September 1, 2007.