

By: Williams

S.B. No. 1642

A BILL TO BE ENTITLED

AN ACT

relating to binding arbitration of certain appraisal review board orders.

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

SECTION 1. Section 41A.01, Tax Code, is amended to read as follows:

Sec. 41A.01. RIGHT OF APPEAL BY PROPERTY OWNER. As an alternative to filing an appeal under Section 42.01, a property owner is entitled to appeal through binding arbitration under this chapter an appraisal review board order determining a protest filed under Section 41.41(a)(1) or (2) [~~concerning the appraised or market value of real property if:~~

~~(1) the appraised or market value, as applicable, of the property as determined by the order is \$1 million or less, and~~

~~(2) the appeal does not involve any matter in dispute other than the determination of the appraised or market value of the property].~~

SECTION 2. The heading to Section 41A.06, Tax Code, is amended to read as follows:

Sec. 41A.06. REGISTRY AND INITIAL QUALIFICATION [~~QUALIFICATIONS~~] OF ARBITRATORS.

SECTION 3. Section 41A.06(b), Tax Code, is amended to read as follows:

(b) To initially qualify to serve as an arbitrator under

1 this chapter, a person must:

2 (1) have completed at least 30 hours of training in
3 arbitration and alternative dispute resolution procedures from a
4 university, college, or legal or real estate trade association;

5 (2) have been licensed or certified continuously
6 during the five years preceding the date the person agrees to serve
7 as an arbitrator, as:

8 (A) [~~be licensed as~~] a real estate broker or
9 salesperson under Chapter 1101, Occupations Code; ~~or~~

10 (B) [~~be licensed or certified as~~] a real estate
11 appraiser under Chapter 1103, Occupations Code; and

12 (3) agree to conduct an arbitration for a fee that is
13 not more than 90 percent of the amount of the arbitration deposit
14 required by Section 41A.03.

15 SECTION 4. Chapter 41A, Tax Code, is amended by adding
16 Section 41A.061 to read as follows:

17 Sec. 41A.061. CONTINUED QUALIFICATION OF ARBITRATOR;
18 RENEWAL OF AGREEMENT. (a) The comptroller shall include a
19 qualified arbitrator in the registry until the second anniversary
20 of the date the person was added to the registry. To continue to be
21 included in the registry after the second anniversary of the date on
22 which the person was added to the registry, the person must renew
23 the person's agreement with the comptroller to serve as an
24 arbitrator on or as near as possible to the date on which the
25 person's license or certification issued under Chapter 1101 or
26 1103, Occupations Code, is renewed.

27 (b) To renew the person's agreement to serve as an

1 arbitrator, the person must:

2 (1) file a renewal application with the comptroller at
3 the time and in the manner prescribed by the comptroller;

4 (2) continue to meet the requirements provided by
5 Section 41A.06(b); and

6 (3) during the preceding two years have completed at
7 least eight hours of continuing education in arbitration and
8 alternative dispute resolution procedures offered by a university,
9 college, real estate trade association, or legal association.

10 (c) The comptroller shall remove a person from the registry
11 if the person fails or declines to renew the person's agreement to
12 serve as an arbitrator in the manner required by this section.

13 SECTION 5. Section 41A.08(b), Tax Code, as added by
14 Chapters 372 and 912, Acts of the 79th Legislature, Regular
15 Session, 2005, is reenacted and amended to read as follows:

16 (b) The parties to an arbitration proceeding under this
17 chapter may represent themselves or may be represented by:

18 (1) an employee of the appraisal district;

19 (2) an attorney who is licensed in this state;

20 (3) a person who is licensed as a real estate broker or
21 salesperson under Chapter 1101, Occupations Code, or is licensed or
22 certified as a real estate appraiser under Chapter 1103,
23 Occupations Code; ~~or~~

24 (4) a property tax consultant registered under Chapter
25 1152, Occupations Code; or

26 (5) an individual who is licensed as a certified
27 accountant under Chapter 901, Occupations Code.

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SECTION 6. (a) Sections 41A.01 and 41A.08, Tax Code, as amended by this Act, apply only to an appeal through binding arbitration under Chapter 41A of that code that is requested on or after the effective date of this Act.

(b) Section 41A.06, Tax Code, as amended by this Act, applies only to a person who initially qualifies to serve as an arbitrator under Chapter 41A, Tax Code, on or after the effective date of this Act.

(c) Section 41A.061, Tax Code, as added by this Act, does not affect the eligibility of a person who is included on the registry list of qualified arbitrators on the effective date of this Act to continue to remain on that registry list before the date on which the person's license or certificate under Chapter 1101 or 1103, Occupations Code, expires unless renewed.

SECTION 7. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2007.