

BILL ANALYSIS

Senate Research Center

H.B. 2591
By: Thompson (Hegar)
Finance
5/5/2009
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Texas' system of property tax appraisal appeals has created a growing industry of property tax consulting services. By and large, property tax consultants do an excellent job of representing their clients' interests. However, certain property tax consulting firms have begun massive advertising campaigns and are representing thousands of clients. The current statutory and administrative regulatory system, administered by the Texas Department of Licensing and Regulation (TDLR), does not adequately ensure that clients of such firms get the quality of service they need, nor does it protect taxpayers from misleading and deceptive marketing by some of these firms, including filing fictitious protests on the taxpayers' behalf. Some consulting firms use contracts that allow them to hire attorneys and file appeals of appraisal review board decisions without the client's permission.

H.B. 2591 amends current law relating to the regulation of property tax consultants.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 1152.152, Occupations Code, by adding Subsection (c), to prohibit a registered senior property tax consultant or an attorney described by Subsection (a)(2) (relating to performing property tax consulting services for compensation) from employing, claiming an association with, or sponsoring more than 10 registered property tax consultants.

SECTION 2. Amends Section 1152.156(a), Occupations Code, to require an applicant for registration as a property tax consultant, in addition to satisfying the requirements of Section 1152.155 (General Eligibility for Registration), to complete at least 40 classroom hours, rather than 15 classroom hours, of educational courses approved by the executive director, including at least four hours of instruction on laws and legal issues in this state related to property tax consulting services, and pass a competency examination under Section 1152.160.

SECTION 3. Amends Section 1152.160, Occupations Code, as follows:

Sec. 1152.160. New heading: REGISTRATION EXAMINATIONS. (a) Requires the executive director of the Texas Department of Licensing and Regulation (executive director) to adopt an examination for registration as a senior property tax consultant; adopt an examination for registration as a property tax consultant; and establish the standards for passing the examinations, rather than examination. Makes nonsubstantive changes.

(b) Requires the Texas Department of Licensing and Regulation (TDLR) to offer the examinations, rather than examination, at times and places designated by the executive director.

(c) Requires an applicant, to be eligible to take an examination, rather than the examination, to pay to TDLR an examination fee.

(d) Deletes an existing subdivision requiring that the examination be graded according to rules adopted by the Texas Commission of Licensing and Regulation. Makes nonsubstantive changes.

(e) Makes no changes to this subsection.

(f) Requires TDLR to accept, develop, or contract for the examinations required by this section, including the administration of the examination.

SECTION 4. Amends Chapter 1152, Occupations Code, by adding Subchapter E-1, as follows:

SUBCHAPTER E-1. PROHIBITED ACTS

Sec. 1152.231. GENERAL PROHIBITED ACTS. (a) Prohibits a person required to register under this chapter from serving as a registered senior property tax consultant for more than 10 registered property tax consultants.

(b) Prohibits a person required to register under this chapter from filing a protest under Chapter 41 (Local Review), Tax Code, without the approval of the property owner.

(c) Prohibits a person required to register under this chapter from falsifying an agent appointment, exemption application, protest, or other legal document that is filed with or presented to an appraisal district, an appraisal review board, or a taxing unit.

(d) Prohibits a person required to register under this chapter from filing a motion or protest concerning residential property on behalf of a person whom the registrant does not represent unless the registrant has authorization from that person; or another person, other than the agent or firm that employs the agent, who is authorized by the person to designate agents under Section 1.111 (Representation of Property Owner), Tax Code.

Sec. 1152.232. PROHIBITED ACTS: SOLICITATION OF BUSINESS AND ADVERTISING. (a) Prohibits a person required to register under this chapter, in a public solicitation for business, from representing that the fee for services rendered includes the hiring of legal services.

(b) Prohibits a person required to register under this chapter from soliciting a property tax consulting assignment by assuring a specific outcome.

Sec. 1152.233. PROHIBITED ACTS: USE OF INTERNET WEBSITE. (a) Prohibits a person required to register under this chapter from maintaining an Internet website for any purpose associated with the provision of tax consulting services by the registrant that has a domain name or other Internet address that implies that the website is a government website.

(b) Prohibits a person required to register under this chapter from using or maintaining an Internet website for the purpose of soliciting clients if the website does not identify the company prominently on the home page of the website.

Sec. 1152.234. PROHIBITED ACTS: CERTAIN LEGAL ACTIONS. Prohibits a person required to register under this chapter from engaging the services of an attorney for purposes of filing an appeal under Chapter 42, Tax Code, without prior consent of the client.

SECTION 5. Requires the executive director, not later than December 31, 2009, to accept, develop, or contract for the property tax consultant examination required by Section 1152.160, Occupations Code, as amended by this Act.

SECTION 6. Makes application of Section 1152.156(a), Occupations Code, as amended by this Act, prospective to March 1, 2010.

SECTION 7. (a) Effective date, except as provided by Subsection (b): September 1, 2009.

(b) Effective date, Section 1152.152(c), Occupations Code, and Subchapter E-1, Chapter 1152, Occupations Code, as added by this Act: January 1, 2010.