

BILL ANALYSIS

S.B. 1359
By: Seliger
Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Chapter 42 (Judicial Review), Tax Code, establishes the process for judicial review of an order by an appraisal review board. A property owner who appeals a decision of an appraisal review board is required to pay each taxing unit that imposes taxes against the property, prior to the delinquency date, the undisputed amount of taxes due or the amount of taxes due pursuant to the appraisal review board order. A property owner who fails to pay taxes prior to the delinquency date forfeits the right to appeal.

A party to an appeal may file a motion to determine whether a property owner has complied with the prepayment requirements. Upon such motion, the court must hold a hearing to determine compliance. In most situations, taxing units are not a party to the appeal and consequently, do not receive notice of the hearing.

As proposed, S.B. 1359 authorizes a taxing unit to intervene in an appeal for the limited purpose of determining whether a property owner has complied with Section 42.08 (Forfeiture of Remedy For Nonpayment of Taxes), Tax Code, and entitles a taxing unit to notice of a hearing.

RULEMAKING AUTHORITY

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

ANALYSIS

SECTION 1. Amends Section 42.08, Tax Code, by amending Subsection (d) and adding Subsections (e) and (f), as follows:

(d) Requires the court, on the motion of a party and after the movant's compliance with Subsection (e), to hold a hearing to review and determine compliance with this section, and authorizes the reviewing court to set such terms and conditions on any grant of relief as may be reasonably required by the circumstances.

(e) Requires the movant, not later than the 45th day before the date of a hearing to review and determine compliance with this section, to mail notice of the hearing by certified mail, return receipt requested, to the collector for each taxing unit that imposes taxes on the property.

(f) Authorizes a taxing unit that imposes taxes on the property, regardless of whether the collector for the taxing unit receives a notice under Subsection (e), to intervene in an appeal under this chapter and participate in the proceedings for the limited purpose of determining whether the property owner has complied with this section. Entitles the taxing unit to process for witnesses and evidence and to be heard by the court.

SECTION 2. (a) Provides that except as provided by Subsection (b) of this section, the change in law made by this Act applies only to an appeal under Chapter 42 (Judicial Review), Tax Code, that is filed on or after the effective date of this Act, and an appeal under Chapter 42, Tax Code,

that was filed before the effective date of this Act is governed by the law in effect on the date the appeal was filed, the former law is continued in effect for that purpose.

(b) Provides that Section 42.08(f), Tax Code, as added by this Act, applies to an appeal under Chapter 42, Tax Code, that is filed on or after the effective date of this Act or is pending on the effective date of this Act.

SECTION 3. Effective date: upon passage or September 1, 2009.

EFFECTIVE DATE

Effective immediately if it receives two-thirds vote from both houses or September 1, 2009.