

By: Williams, Nichols

S.B. No. 1497

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) concerning the appraised or market value of ~~real~~ property if:

(1) the property qualifies as the owner's residence homestead under Section 11.13; or

(2) 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. Subsection (a), Section 41A.03, Tax Code, is amended to read as follows:

(a) To appeal an appraisal review board order under this chapter, a property owner must file with the appraisal district not later than the 45th day after the date the property owner receives

1 notice of the order:

2 (1) a completed request for binding arbitration under
3 this chapter in the form prescribed by Section 41A.04; and

4 (2) an arbitration deposit [~~in the amount of \$500,~~]
5 made payable to the comptroller in the amount of:

6 (A) \$500; or

7 (B) \$250, if the property owner requests
8 expedited arbitration under Section 41A.031.

9 SECTION 3. Chapter 41A, Tax Code, is amended by adding
10 Section 41A.031 to read as follows:

11 Sec. 41A.031. EXPEDITED ARBITRATION. (a) A property owner
12 is entitled to an expedited arbitration if the property owner
13 includes a request for expedited arbitration in the request filed
14 under Section 41A.03 and pays the required deposit.

15 (b) An expedited arbitration must provide for not more than
16 one hour of argument and testimony on behalf of the property owner
17 and not more than one hour of argument and testimony on behalf of
18 the appraisal district.

19 (c) The comptroller shall adopt rules and processes to
20 assist in the conduct of an expedited arbitration, including rules
21 relating to the evidence required to be produced by each party.

22 SECTION 4. The heading to Section 41A.06, Tax Code, is
23 amended to read as follows:

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

26 SECTION 5. Subsection (b), Section 41A.06, Tax Code, is
27 amended to read as follows:

1 (b) To initially qualify to serve as an arbitrator under
2 this chapter, a person must:

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

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

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

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

13 (C) a certified public accountant under Chapter
14 901, Occupations Code; and

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

18 SECTION 6. Chapter 41A, Tax Code, is amended by adding
19 Section 41A.061 to read as follows:

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

1 or certification issued under Chapter 901, 1101, or 1103,
2 Occupations Code, is renewed.

3 (b) To renew the person's agreement to serve as an
4 arbitrator, the person must:

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

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

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

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

16 SECTION 7. Section 41A.07, Tax Code, is amended by adding
17 Subsection (e) to read as follows:

18 (e) Notwithstanding any other provision of this section, an
19 arbitrator selected or appointed to arbitrate an appeal under this
20 chapter regarding property other than real property must be
21 licensed as a certified public accountant under Chapter 901,
22 Occupations Code.

23 SECTION 8. Subsection (b), Section 41A.08, Tax Code, as
24 added by Chapters 372 (S.B. 1351) and 912 (H.B. 182), Acts of the
25 79th Legislature, Regular Session, 2005, is reenacted and amended
26 to read as follows:

27 (b) The parties to an arbitration proceeding under this

1 chapter may represent themselves or, at their own cost, may be
2 represented by:

- 3 (1) an employee of the appraisal district;
- 4 (2) an attorney who is licensed in this state;
- 5 (3) a person who is licensed as a real estate broker or
6 salesperson under Chapter 1101, Occupations Code, or is licensed or
7 certified as a real estate appraiser under Chapter 1103,
8 Occupations Code; ~~or~~
- 9 (4) a property tax consultant registered under Chapter
10 1152, Occupations Code; or
- 11 (5) an individual who is licensed as a certified
12 public accountant under Chapter 901, Occupations Code.

13 SECTION 9. (a) Sections 41A.01, 41A.03, 41A.07, and
14 41A.08, Tax Code, as amended by this Act, and Section 41A.031, Tax
15 Code, as added by this Act, apply only to an appeal through binding
16 arbitration under Chapter 41A of that code that is requested on or
17 after the effective date of this Act.

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

22 (c) Section 41A.061, Tax Code, as added by this Act, does
23 not affect the eligibility of a person who is included on the
24 registry list of qualified arbitrators on the effective date of
25 this Act to continue to remain on that registry list before the date
26 on which the person's license or certificate under Chapter 901,
27 1101, or 1103, Occupations Code, expires unless renewed.

1 SECTION 10. This Act takes effect immediately if it
2 receives a vote of two-thirds of all the members elected to each
3 house, as provided by Section 39, Article III, Texas Constitution.
4 If this Act does not receive the vote necessary for immediate
5 effect, this Act takes effect September 1, 2009.