

1-1 By: Williams S.B. No. 1497
1-2 (In the Senate - Filed March 6, 2009; March 17, 2009, read
1-3 first time and referred to Committee on Finance; May 1, 2009,
1-4 reported adversely, with favorable Committee Substitute by the
1-5 following vote: Yeas 14, Nays 0; May 1, 2009, sent to printer.)

1-6 COMMITTEE SUBSTITUTE FOR S.B. No. 1497 By: Deuell

1-7 A BILL TO BE ENTITLED
1-8 AN ACT

1-9 relating to binding arbitration of certain appraisal review board
1-10 orders.

1-11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-12 SECTION 1. Section 41A.01, Tax Code, is amended to read as
1-13 follows:

1-14 Sec. 41A.01. RIGHT OF APPEAL BY PROPERTY OWNER. As an
1-15 alternative to filing an appeal under Section 42.01, a property
1-16 owner is entitled to appeal through binding arbitration under this
1-17 chapter an appraisal review board order determining a protest filed
1-18 under Section 41.41(a)(1) concerning the appraised or market value
1-19 of ~~real~~ property if:

1-20 (1) the property qualifies as the owner's residence
1-21 homestead under Section 11.13; or

1-22 (2) the appraised or market value, as applicable, of
1-23 the property as determined by the order is \$1 million or less~~, and~~

1-24 ~~[(2) the appeal does not involve any matter in dispute~~
1-25 ~~other than the determination of the appraised or market value of the~~
1-26 ~~property].~~

1-27 SECTION 2. Subsection (a), Section 41A.03, Tax Code, is
1-28 amended to read as follows:

1-29 (a) To appeal an appraisal review board order under this
1-30 chapter, a property owner must file with the appraisal district not
1-31 later than the 45th day after the date the property owner receives
1-32 notice of the order:

1-33 (1) a completed request for binding arbitration under
1-34 this chapter in the form prescribed by Section 41A.04; and

1-35 (2) an arbitration deposit ~~[in the amount of \$500,]~~
1-36 made payable to the comptroller in the amount of:

1-37 (A) \$500; or

1-38 (B) \$250, if the property owner requests
1-39 expedited arbitration under Section 41A.031.

1-40 SECTION 3. Chapter 41A, Tax Code, is amended by adding
1-41 Section 41A.031 to read as follows:

1-42 Sec. 41A.031. EXPEDITED ARBITRATION. (a) A property owner
1-43 is entitled to an expedited arbitration if the property owner
1-44 includes a request for expedited arbitration in the request filed
1-45 under Section 41A.03 and pays the required deposit.

1-46 (b) An expedited arbitration must provide for not more than
1-47 one hour of argument and testimony on behalf of the property owner
1-48 and not more than one hour of argument and testimony on behalf of
1-49 the appraisal district.

1-50 (c) The comptroller shall adopt rules and processes to
1-51 assist in the conduct of an expedited arbitration, including rules
1-52 relating to the evidence required to be produced by each party.

1-53 SECTION 4. The heading to Section 41A.06, Tax Code, is
1-54 amended to read as follows:

1-55 Sec. 41A.06. REGISTRY AND INITIAL QUALIFICATION
1-56 [QUALIFICATIONS] OF ARBITRATORS.

1-57 SECTION 5. Subsection (b), Section 41A.06, Tax Code, is
1-58 amended to read as follows:

1-59 (b) To initially qualify to serve as an arbitrator under
1-60 this chapter, a person must:

1-61 (1) have completed at least 30 hours of training in
1-62 arbitration and alternative dispute resolution procedures from a
1-63 university, college, or legal or real estate trade association;

2-1 (2) have been licensed or certified continuously
 2-2 during the five years preceding the date the person agrees to serve
 2-3 as an arbitrator, as:

2-4 (A) [~~be licensed as~~] a real estate broker or
 2-5 salesperson under Chapter 1101, Occupations Code;

2-6 (B) [~~, or be licensed or certified as~~] a real
 2-7 estate appraiser under Chapter 1103, Occupations Code; or

2-8 (C) a certified public accountant under Chapter
 2-9 901, Occupations Code; and

2-10 (3) agree to conduct an arbitration for a fee that is
 2-11 not more than 90 percent of the amount of the arbitration deposit
 2-12 required by Section 41A.03.

2-13 SECTION 6. Chapter 41A, Tax Code, is amended by adding
 2-14 Section 41A.061 to read as follows:

2-15 Sec. 41A.061. CONTINUED QUALIFICATION OF ARBITRATOR;
 2-16 RENEWAL OF AGREEMENT. (a) The comptroller shall include a

2-17 qualified arbitrator in the registry until the second anniversary
 2-18 of the date the person was added to the registry. To continue to be

2-19 included in the registry after the second anniversary of the date
 2-20 the person was added to the registry, the person must renew the

2-21 person's agreement with the comptroller to serve as an arbitrator
 2-22 on or as near as possible to the date on which the person's license

2-23 or certification issued under Chapter 901, 1101, or 1103,
 2-24 Occupations Code, is renewed.

2-25 (b) To renew the person's agreement to serve as an
 2-26 arbitrator, the person must:

2-27 (1) file a renewal application with the comptroller at
 2-28 the time and in the manner prescribed by the comptroller;

2-29 (2) continue to meet the requirements provided by
 2-30 Section 41A.06(b); and

2-31 (3) during the preceding two years have completed at
 2-32 least eight hours of continuing education in arbitration and

2-33 alternative dispute resolution procedures offered by a university,
 2-34 college, real estate trade association, or legal association.

2-35 (c) The comptroller shall remove a person from the registry
 2-36 if the person fails or declines to renew the person's agreement to

2-37 serve as an arbitrator in the manner required by this section.

2-38 SECTION 7. Section 41A.07, Tax Code, is amended by adding
 2-39 Subsection (e) to read as follows:

2-40 (e) Notwithstanding any other provision of this section, an
 2-41 arbitrator selected or appointed to arbitrate an appeal under this

2-42 chapter regarding property other than real property must be
 2-43 licensed as a certified public accountant under Chapter 901,

2-44 Occupations Code.

2-45 SECTION 8. Subsection (b), Section 41A.08, Tax Code, as
 2-46 added by Chapters 372 (S.B. 1351) and 912 (H.B. 182), Acts of the

2-47 79th Legislature, Regular Session, 2005, is reenacted and amended
 2-48 to read as follows:

2-49 (b) The parties to an arbitration proceeding under this
 2-50 chapter may represent themselves or, at their own cost, may be

2-51 represented by:

2-52 (1) an employee of the appraisal district;
 2-53 (2) an attorney who is licensed in this state;

2-54 (3) a person who is licensed as a real estate broker or
 2-55 salesperson under Chapter 1101, Occupations Code, or is licensed or

2-56 certified as a real estate appraiser under Chapter 1103,
 2-57 Occupations Code; ~~or~~

2-58 (4) a property tax consultant registered under Chapter
 2-59 1152, Occupations Code; or

2-60 (5) an individual who is licensed as a certified
 2-61 public accountant under Chapter 901, Occupations Code.

2-62 SECTION 9. (a) Sections 41A.01, 41A.03, 41A.07, and
 2-63 41A.08, Tax Code, as amended by this Act, and Section 41A.031, Tax

2-64 Code, as added by this Act, apply only to an appeal through binding
 2-65 arbitration under Chapter 41A of that code that is requested on or

2-66 after the effective date of this Act.

2-67 (b) Section 41A.06, Tax Code, as amended by this Act,
 2-68 applies only to a person who initially qualifies to serve as an
 2-69 arbitrator under Chapter 41A, Tax Code, on or after the effective

3-1 date of this Act.

3-2 (c) Section 41A.061, Tax Code, as added by this Act, does
3-3 not affect the eligibility of a person who is included on the
3-4 registry list of qualified arbitrators on the effective date of
3-5 this Act to continue to remain on that registry list before the date
3-6 on which the person's license or certificate under Chapter 901,
3-7 1101, or 1103, Occupations Code, expires unless renewed.

3-8 SECTION 10. This Act takes effect immediately if it
3-9 receives a vote of two-thirds of all the members elected to each
3-10 house, as provided by Section 39, Article III, Texas Constitution.
3-11 If this Act does not receive the vote necessary for immediate
3-12 effect, this Act takes effect September 1, 2009.

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