

## **BILL ANALYSIS**

C.S.H.B. 896  
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Ways & Means  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Interested parties observe that, under current law, a property owner may object to a tax appraisal by filing a protest with the county appraisal review board (ARB) to have the appraisal reviewed. Interested parties further assert that, in large counties, an ARB hears protests sitting in a panel of three and meets as a whole to approve or reject the panel's recommendations. Interested parties contend that, while the minimum membership for an ARB is three, there is no maximum. ARBs usually begin hearings in May and must hear and determine substantially all protests no later than August 31.

Interested parties are concerned that caseloads have steadily increased in recent years, with the caseload of one of the state's largest counties totaling nearly 400,000 protests a year. Interested parties further contend that a massive number of panels and more than 150 board members are required to timely complete such a large caseload. Interested parties go on to observe that smaller counties also are likely to have experienced corresponding increases in their respective ARB workloads. Interested parties point out that convening a meeting of the full ARB in many counties is expensive and unwieldy and requires an alternative meeting location large enough to accommodate the board. Interested parties further contend that, given each ARB member's compensation for attending a meeting, a simple meeting of a few minutes costs taxpayers thousands of dollars. Given the above, interested parties conclude that authorizing the appointment of auxiliary ARB members would allow a county appraisal district to reduce the size of the ARB to a more manageable number, with a sufficient number of auxiliary members available to conduct hearings under the supervision of the full board.

C.S.H.B. 896 seeks to allow the board of directors of an appraisal district to appoint a number of auxiliary appraisal review board members, with limited powers and restrictions on compensation, that the appraisal district's board of directors considers appropriate to hear protests and assist the ARB in performing its duties.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

C.S.H.B. 896 amends the Tax Code to authorize the board of directors of an appraisal district, by resolution of a majority of the members, to provide for a number of auxiliary appraisal review board members that the board considers appropriate to hear taxpayer protests before the appraisal review board and to assist the board in performing its duties. The bill establishes that an auxiliary board member is appointed in the same manner and for the same term as an appraisal review board member and is subject to the same eligibility requirements and restrictions. The bill authorizes an auxiliary board member to attend meetings of the appraisal review board but prohibits an auxiliary board member from voting in a determination made by the board or from serving as chairman or secretary of the board. The bill excludes an auxiliary

board member from a determination of what constitutes a quorum of the board or whether a quorum is present at any meeting of the board.

C.S.H.B. 896 authorizes an auxiliary board member to hear taxpayer protests before the appraisal review board and, if one or more auxiliary board members sit on a panel to conduct a protest hearing, the bill reduces the number of regular appraisal review board members required to constitute the panel by the number of auxiliary board members sitting. The bill establishes that an auxiliary board member sitting on a panel is considered a regular board member for all purposes related to the conduct of the hearing. The bill entitles an auxiliary board member to make a recommendation to the appraisal review board regarding a protest heard by the member and specifies that the member is not entitled to vote on the determination of the protest by the board. The bill entitles an auxiliary board member to compensation as provided by the appraisal district budget and specifies that the member is not entitled to a per diem or reimbursement of expenses.

C.S.H.B. 896 provides for the definition of "appraisal review board member" to include an auxiliary appraisal review board member and makes a conforming change in a provision relating to restrictions on eligibility for service as an appraisal review board member. The bill makes its provisions applicable to the appointment of an auxiliary member of an appraisal review board for a term beginning on or after January 1, 2012.

#### **EFFECTIVE DATE**

On passage, or, if the bill does not receive the necessary vote, September 1, 2011.

#### **COMPARISON OF ORIGINAL AND SUBSTITUTE**

C.S.H.B. 896 omits provisions included in the original limiting the application of the original bill's provisions to an appraisal district established in a county with a population of 3.3 million or more and making reference to such a county in the statute section heading.