

BILL ANALYSIS

H.B. 1435
By: Elkins
Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Currently, a property owner who appeals a decision of an appraisal review board under provisions of the Tax Code relating to judicial review must pay each taxing unit that imposes taxes against the property, before the delinquency date, the undisputed amount of taxes due on the portion of the taxable value that is not in dispute or the amount of taxes due under the appraisal review board order from which the appeal is taken. A property owner who fails to pay taxes before the delinquency date forfeits the right to appeal. A taxing unit may intervene in a property owner's appeal for the limited purpose of determining whether the property owner complied with the prepayment requirement.

Another provision of the Tax Code also authorizes appeals by property owners in cases where the deadline for routine appeals under the provisions relating to judicial review has expired, but only for the purpose of correcting clerical errors or substantial errors in the appraisal of property for tax purposes. In such cases, a property owner must comply with similar prepayment requirement. However, there is no corresponding provision in those cases allowing a taxing unit to intervene.

H.B. 1435 seeks to conform the provisions that address appeals by property owners by providing taxing units with authority to intervene in an appeal where they currently are not able to intervene for the limited purpose of assisting the court in determining whether the property owner has complied with the prepayment requirement. The bill also conforms those provisions by prohibiting a property owner or the chief appraiser from making a taxing unit an involuntary party to an appeal in either case.

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

H.B. 1435 amends the Tax Code to prohibit a taxing unit from being made a party to a suit filed by a property owner or chief appraiser to compel an appraisal review board to order a change in the appraisal roll. The bill requires the movant in such a suit, if a hearing is requested to review and determine compliance with certain provisions regarding the payment of taxes during a pending appeal and the forfeiture of remedy for nonpayment, 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 not later than the 45th day before the date of the hearing. The bill authorizes a taxing unit that imposes taxes on the property, regardless of whether the collector for the taxing unit receives a notice, to intervene in such a suit and to participate in the proceedings for the limited purpose of determining whether the property owner has complied with the applicable provisions. The bill entitles the taxing unit to process for witnesses and evidence and to be heard by the court. The bill makes the prohibition against making a taxing unit a party to a suit applicable to a suit filed on or after the bill's effective date and makes the authorization for a

taxing unit to intervene and participate applicable to a suit filed on or after the bill's effective date or to a suit pending on that date.

EFFECTIVE DATE

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