

BILL ANALYSIS

C.S.H.B. 2220
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Ways & Means
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Observers note that a taxpayer with a valid indigency claim may present that claim to the local appraisal review board but may be rejected because the board does not have the power to rule on such claims. Interested parties assert that the taxpayer then may appeal to district court for a judicial review of the taxpayer's claim because a court is the only venue for reviewing such a dispute. This procedure, the parties contend, is unnecessarily complicated and expensive for the average taxpayer but is especially burdensome for a taxpayer who can make a valid indigency claim in court. C.S.H.B. 2220 seeks to provide a means to resolve matters as inexpensively and at the lowest level of jurisdiction as possible by giving an appraisal review board the authority to rule on indigency claims on those matters that require payment of taxes as a precondition to be heard.

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. 2220 amends the Tax Code to require a property owner who files a motion to correct an appraisal roll to pay the amount of taxes due on the portion of the property's taxable value that is not in dispute in the motion before the delinquency date in order not to forfeit the right to proceed to a final determination of the motion. The bill establishes that the pendency of such a motion does not affect the delinquency date for the taxes on the property that is the subject of the motion.

C.S.H.B. 2220 provides that, if the property owner pays the amount of taxes due on the portion of the property's taxable value that is not in dispute, the delinquency date for any additional amount of taxes due on the property is determined on receipt of the supplemental bill and becomes delinquent if not paid before the prescribed delinquency date or before the first day of the next month after the date of mailing that will provide at least 21 days for payment of the tax, whichever is later. The bill provides that a property owner who pays an amount of taxes greater than the amount of taxes due on the portion of the property's taxable value that is not in dispute does not forfeit the right to a final determination of the motion by making the payment. The bill establishes that taxes paid on the property, if the property owner files a timely motion, are considered paid under protest even if paid before the motion is filed. The bill, in a provision of law authorizing the property owner or the chief appraiser to file suit to compel the appraisal review board to order a change in the appraisal roll within 45 days after receiving notice of the board's determination of a motion to change the appraisal roll to correct an error, includes under that provision a determination of the board that the property owner has forfeited the right to a final determination of a motion for failing to comply with prepayment requirements.

C.S.H.B. 2220 authorizes a property owner to be excused from the requirement of prepayment of tax as a prerequisite to the determination of a motion after filing an oath of inability to pay the

taxes at issue if the appraisal review board, after notice and hearing, finds that such prepayment would constitute an unreasonable restraint on the property owner's right of access to the appraisal review board. The bill requires the board, on the motion of a party, to determine compliance with the bill's provisions to avoid forfeiture at a hearing and authorizes the appraisal review board to set such terms and conditions on any grant of relief as may be reasonably required by the circumstances. The bill requires the board to dismiss the pending protest if the board determines that the property owner has not substantially complied and to dismiss the pending protest if the board determines that the property owner has substantially but not fully complied unless the property owner fully complies with the board's determination within 30 days of the determination.

C.S.H.B. 2220 establishes similar provisions relating to the forfeiture of remedy for nonpayment of taxes and the requirements for avoiding the right to proceed to a final determination with respect to a protest filed to an appraisal review board for failure by either the chief appraiser or the appraisal review board to provide a property owner any notice to which the owner is entitled. The bill, in a provision establishing that the pendency of such a protest does not affect the delinquency date for the taxes on the property subject to the protest, postpones the delinquency date for the amount of taxes required to be paid until the 125th day after the date one or more taxing units first delivered written notice of the taxes due on the property, as determined by the appraisal review board at a hearing.

C.S.H.B. 2220 includes a determination of an appraisal review board that the property owner has forfeited the right to a final determination of a motion or of a protest for failing to comply with prepayment requirements among the cases where a property owner is entitled to an appeal. The bill entitles a property owner who establishes that the owner did not forfeit the right to a final determination of a motion or of a protest in an appeal to a final determination of the court, as applicable, of the motion or the protest of the failure of the chief appraiser or appraisal review board to provide or deliver a notice to which the property owner is entitled, and, if failure to provide or deliver the notice is established, of a protest made by the property owner on any other grounds of protest authorized by the title relating to the property to which the notice applies.

C.S.H.B. 2220 makes conforming changes.

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. 2220 includes, in a provision of law authorizing the property owner or the chief appraiser to file suit to compel the appraisal review board to order a change in the appraisal roll after receiving the board's determination of a motion to change the appraisal roll to correct an error, a provision not included in the original to include under that provision a determination of the board that the property owner has forfeited the right to a final determination of a motion for failing to comply with prepayment requirements.

C.S.H.B. 2220 contains a provision not included in the original entitling a property owner to appeal an order of an appraisal review board determining that the property owner has forfeited the right to a final determination of a motion or of a protest for failing to comply with prepayment requirements. The substitute contains a provision not included in the original entitling certain property owners to a final determination of the court for certain motions or protests.