

BILL ANALYSIS

H.B. 2419
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Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Current law requires that appraisal review boards consist of three members, with the authority to increase that number if appropriate and authorized by the board of directors of the local appraisal district. Current law also allows appraisal review boards to conduct hearings before panels of three members, who then must make a recommendation on a hearing and submit the recommendation to the full membership of the appraisal review board for a final determination. For large metropolitan appraisal districts, the local appraisal review boards can have many times the three-member minimum, with numerous three-member panels conducting hearings on a daily basis.

H.B. 2419 seeks to implement an alternate process by creating a pilot program authorizing an administrative district judge to appoint special magistrates to assist in hearing property tax protests, with the intent of improving logistical efficiency in the scheduling and conduct of hearings in large metropolitan appraisal districts and saving money for appraisal districts and appraisal review boards.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the comptroller of public accounts in SECTION 1 of this bill.

ANALYSIS

H.B. 2419 amends the Tax Code to establish a pilot program for the appointment of special magistrates to assist in hearing property tax protests that is required to be implemented in a county with a population of 3.3 million or more and that, unless continued, expires on December 31, 2017. The bill requires the local administrative district judge of Harris County to appoint as many special magistrates as the judge, with the advice of the appraisal district board of directors, determines appropriate to conduct hearings on property tax protests and recommend determinations in a timely manner under the Property Tax Code. The bill authorizes a special magistrate to conduct hearings and recommend determinations of any matter that the appraisal review board or a panel of the board is authorized to make under provisions governing local review. The bill requires the chair of the appraisal review board to assign hearings to special magistrates in a manner that does not consider the magistrate's record of determinations of prior protests, but authorizes the assignment of cases according to the magistrate's particular knowledge or expertise.

H.B. 2419 prohibits special magistrates from being elected or appointed officials or employees of a taxing unit, the appraisal district, or the comptroller of public accounts, or persons licensed as tax consultants by the Texas Department of Licensing and Regulation. The bill requires the chief appraiser to annually notify such individuals or their professional associations about existing opportunities to serve as special magistrates. The bill requires the administrative district judge to establish a reasonable range of per diem compensation for special magistrates and requires the appraisal district budget to provide an appropriate amount for that purpose.

H.B. 2419 sets out qualifications for special magistrates appointed to hear certain issues and requires the administrative district judge, if practicable, to appoint special magistrates according to those qualifications. The bill authorizes the judge, with the advice of the chair of the appraisal review board, to consider the needs of the appraisal review board and the experience of special magistrate candidates in lieu of those qualifications in order to make appointments as special magistrates. The bill establishes that a special magistrate does not need to be a resident of the county in which the special magistrate serves and prohibits a special magistrate from representing a person before the board in any tax year during which the special magistrate has served that board as such. The bill requires the judge, before appointing a special magistrate, to verify the magistrate's qualifications and to ensure that the selection is based solely on experience and qualifications and is not influenced by the chief appraiser.

H.B. 2419 provides that hearings by a special magistrate are scheduled and conducted in the manner provided for hearings of the appraisal review board. The bill requires a special magistrate to serve as an independent contractor to the appraisal review board, subject to appropriation, and authorizes a special magistrate's services to the appraisal review board to be cancelled at any time on the vote of a majority of four of the serving members of the appraisal review board. The bill establishes the grounds for removal of a special magistrate by the local administrative district judge. The bill requires a special magistrate to complete training as specified by comptroller rule before commencing hearings for a tax year and authorizes the comptroller to require magistrates to attend the training provided for members of the appraisal review board.

H.B. 2419 establishes that special magistrates hold office for terms of two years beginning January 1 and provides for staggered terms. On the effective date of the pilot program, the bill authorizes the administrative law judge to begin appointing special magistrates for the initial term beginning January 1, 2014, and requires the terms of all then current appraisal review board members to be set to expire on December 31, 2013. The bill makes appraisal review board members serving as of the effective date of the pilot program eligible to serve as appraisal review board members under the pilot program unless otherwise prohibited under the Property Tax Code.

H.B. 2419 requires the appraisal review board of a county with a population of 3.3 million or more to consist of five members and applies certain offenses relating to ex parte communications to a special magistrate appointed under the pilot program.

H.B. 2419 requires a special magistrate in a county with a population of 3.3 million or more to conduct protest hearings, but requires the determination of a protest hearing heard by a special magistrate to be made by the appraisal review board. The bill authorizes the board, if it does not accept the special magistrate's recommendation, to refer the matter for rehearing to a separate special magistrate, or authorizes the board, by majority vote, to determine the protest. The bill requires the board, before determining a protest or conducting a rehearing before a new special magistrate, to deliver notice of the hearing or meeting to determine the protest in accordance with provisions relating to taxpayer protest.

EFFECTIVE DATE

September 1, 2013.