

BILL ANALYSIS

H.B. 2792
By: Elkins
Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

In a hearing on a property owner protest regarding an action of the chief appraiser, appraisal district, or appraisal review board that applies to and adversely affects the property owner, and in particular on a protest regarding the appraisal of such property, the owner or owner's representative usually needs to present evidence related to the value of the property in order for the owner's protest to be successful. Interested parties contend that, in the case of a protest regarding the appraisal of business or industrial property, such evidence may fall into the hands of a competitor and place an owner who runs such a business or who is an industrial taxpayer at a competitive disadvantage. A fear of being put at a disadvantage leads many protesters to decline to present evidence to support the contention that the protester's property is appraised for more than its market value. In these instances, the appraisal review board often upholds the initial appraised value, and the case progresses to litigation, which is expensive for both the appraisal district and the property owner. Once in litigation, the property owner gives the appraisal district the relevant proprietary or confidential information in the pretrial discovery process, and the case typically is settled without the confidential material ever being made public.

H.B. 2792 seeks to prevent this type of litigation by amending current law relating to the circumstances under which an appraisal review board hearing must be closed to the public.

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. 2792 amends the Tax Code to require an appraisal review board to conduct a hearing on a property owner protest that is closed to the public if the property owner or the chief appraiser intends to disclose proprietary or confidential information at the hearing that will assist the review board in determining the protest. The bill authorizes the review board to hold such a closed hearing only on a joint motion by the property owner and the chief appraiser. The bill establishes that proprietary or confidential information disclosed at a closed hearing is considered information obtained under statutory provisions relating to the confidentiality of certain types information provided by a property owner to an appraisal office in connection with the appraisal of property.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2013.