

AN ACT

relating to ad valorem taxation; creating an offense.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 1151.1581, Occupations Code, is amended by adding Subsection (f) to read as follows:

(f) As part of the continuing education requirements for a registered professional appraiser who is the chief appraiser of an appraisal district, the commission by rule shall require the registrant to complete:

(1) at least half of the required hours in a program devoted to one or more of the topics listed in Section 1151.164(b); and

(2) at least two of the required hours in a program of professional ethics specific to the chief appraiser of an appraisal district, including a program on the importance of maintaining the independence of an appraisal office from political pressure.

SECTION 2. Section 5.041, Tax Code, is amended by adding Subsection (b-1) and amending Subsections (e-2) and (f) to read as follows:

(b-1) At the conclusion of a course established under Subsection (a), each member of an appraisal review board in attendance shall complete a statement, on a form prescribed by the comptroller, indicating that the member will comply with the requirements of this title in conducting hearings.

1           (e-2) During [~~As soon as practicable after the beginning of~~]  
2 the second year of an appraisal review board member's term of  
3 office, the member must successfully complete the course  
4 established under Subsection (e-1). At the conclusion of the  
5 course, the member must complete a statement described by  
6 Subsection (b-1). A person may not participate in a hearing  
7 conducted by the board, vote on a determination of a protest, or be  
8 reappointed to an additional term on the board until the person has  
9 completed [~~who fails to timely complete~~] the course established  
10 under Subsection (e-1) and has received a certificate of course  
11 completion [~~may not be reappointed to an additional term on the~~  
12 ~~appraisal review board~~]. If the person is reappointed to an  
13 additional term on the appraisal review board, the person must  
14 successfully complete the course established under Subsection  
15 (e-1) and comply with the other requirements of this subsection in  
16 each year the member continues to serve.

17           (f) The comptroller may not advise a property owner, a  
18 property owner's agent, or the chief appraiser or another employee  
19 of an appraisal district [~~, or an appraisal review board~~] on a matter  
20 that the comptroller knows is the subject of a protest to the  
21 appraisal review board. The comptroller may provide advice to an  
22 appraisal review board member as authorized by Subsection (a)(4) of  
23 this section or Section 5.103 and may communicate with the chairman  
24 of an appraisal review board or a taxpayer liaison officer  
25 concerning a complaint filed under Section 6.052.

26           SECTION 3. Chapter 5, Tax Code, is amended by adding Section  
27 5.103 to read as follows:

1       Sec. 5.103. APPRAISAL REVIEW BOARD OVERSIGHT. (a) The  
2 comptroller shall prepare model hearing procedures for appraisal  
3 review boards.

4       (b) The model hearing procedures shall address:

5           (1) the statutory duties of an appraisal review board;

6           (2) the process for conducting a hearing;

7           (3) the scheduling of hearings;

8           (4) the postponement of hearings;

9           (5) the notices required under this title;

10          (6) the determination of good cause under Section  
11 41.44(b);

12          (7) the determination of good cause under Sections  
13 41.45(e) and (e-1);

14          (8) a party's right to offer evidence and argument;

15          (9) a party's right to examine or cross-examine  
16 witnesses or other parties;

17          (10) a party's right to appear by an agent;

18          (11) the prohibition of an appraisal review board's  
19 consideration of information not provided at a hearing;

20          (12) ex parte and other prohibited communications;

21          (13) the exclusion of evidence at a hearing as  
22 required by Section 41.67(d);

23          (14) the postponement of a hearing as required by  
24 Section 41.66(h);

25          (15) conflicts of interest;

26          (16) the process for the administration of  
27 applications for membership on an appraisal review board; and

1           (17) any other matter related to fair and efficient  
2 appraisal review board hearings.

3           (c) The comptroller may:

4           (1) categorize appraisal districts based on the size  
5 of the district, the number of protests filed in the district, or  
6 similar characteristics; and

7           (2) develop different model hearing procedures for  
8 different categories of districts.

9           (d) An appraisal review board shall follow the model hearing  
10 procedures prepared by the comptroller when establishing its  
11 procedures for hearings as required by Section 41.66(a).

12           (e) The comptroller shall prescribe the contents of a survey  
13 form for the purpose of providing the public a reasonable  
14 opportunity to offer comments and suggestions concerning the  
15 appraisal review board established for an appraisal district. The  
16 survey form must permit a person to offer comments and suggestions  
17 concerning the matters listed in Subsection (b) or any other matter  
18 related to the fairness and efficiency of the appraisal review  
19 board. The survey form, together with instructions for completing  
20 the form and submitting the form, shall be provided to each property  
21 owner at or before each hearing on a protest conducted by an  
22 appraisal review board. The appraisal office may provide clerical  
23 assistance to the comptroller for purposes of the implementation of  
24 this subsection, including assistance in providing and receiving  
25 the survey form. The comptroller, or an appraisal office providing  
26 clerical assistance to the comptroller, may provide for the  
27 provision and submission of survey forms electronically.

1       (f) The comptroller shall issue an annual report  
2 summarizing the survey forms submitted by property owners  
3 concerning each appraisal review board. The report may not  
4 disclose the identity of a person who submits a survey form.

5       SECTION 4. Section 6.035, Tax Code, is amended by adding  
6 Subsection (a-1) to read as follows:

7       (a-1) An individual is ineligible to serve on an appraisal  
8 district board of directors if the individual has engaged in the  
9 business of appraising property for compensation for use in  
10 proceedings under this title or of representing property owners for  
11 compensation in proceedings under this title in the appraisal  
12 district at any time during the preceding five years.

13       SECTION 5. Sections 6.05(c) and (d), Tax Code, are amended  
14 to read as follows:

15       (c) The chief appraiser is the chief administrator of the  
16 appraisal office. Except as provided by Section 6.0501, the [The]  
17 chief appraiser is appointed by and serves at the pleasure of the  
18 appraisal district board of directors. If a taxing unit performs  
19 the duties of the appraisal office pursuant to a contract, the  
20 assessor for the unit is the chief appraiser. To be eligible to be  
21 appointed or serve as a chief appraiser, a person must be certified  
22 as a registered professional appraiser under Section 1151.160,  
23 Occupations Code, possess an MAI professional designation from the  
24 Appraisal Institute, or possess an Assessment Administration  
25 Specialist (AAS), Certified Assessment Evaluator (CAE), or  
26 Residential Evaluation Specialist (RES) professional designation  
27 from the International Association of Assessing Officers. A person

1 who is eligible to be appointed or serve as a chief appraiser by  
2 having a professional designation described by this subsection must  
3 become certified as a registered professional appraiser under  
4 Section 1151.160, Occupations Code, not later than the fifth  
5 anniversary of the date the person is appointed or begins to serve  
6 as chief appraiser. A chief appraiser who is not eligible to be  
7 appointed or serve as chief appraiser may not perform an action  
8 authorized or required by law to be performed by a chief appraiser,  
9 including the preparation, certification, or submission of any part  
10 of the appraisal roll. Not later than January 1 of each year, a  
11 chief appraiser shall notify the comptroller in writing that the  
12 chief appraiser is either eligible to be appointed or serve as the  
13 chief appraiser or not eligible to be appointed or serve as the  
14 chief appraiser.

15 (d) Except as provided by Section 6.0501, the [~~The~~] chief  
16 appraiser is entitled to compensation as provided by the budget  
17 adopted by the board of directors. The chief appraiser's  
18 compensation may not be directly or indirectly linked to an  
19 increase in the total market, appraised, or taxable value of  
20 property in the appraisal district. Except as provided by Section  
21 6.0501, the [~~The~~] chief appraiser may employ and compensate  
22 professional, clerical, and other personnel as provided by the  
23 budget, with the exception of a general counsel to the appraisal  
24 district.

25 SECTION 6. Subchapter A, Chapter 6, Tax Code, is amended by  
26 adding Section 6.0501 to read as follows:

27 Sec. 6.0501. APPOINTMENT OF ELIGIBLE CHIEF APPRAISER BY

1 COMPTROLLER. (a) The comptroller shall appoint a person eligible  
2 to be a chief appraiser under Section 6.05(c) or a person who has  
3 previously been appointed or served as a chief appraiser to perform  
4 the duties of chief appraiser for an appraisal district whose chief  
5 appraiser is ineligible to serve.

6 (b) A chief appraiser appointed under this section serves  
7 until the earlier of:

8 (1) the first anniversary of the date the comptroller  
9 appoints the chief appraiser; or

10 (2) the date the board of directors of the appraisal  
11 district:

12 (A) appoints a chief appraiser under Section  
13 6.05(c); or

14 (B) contracts with an appraisal district or a  
15 taxing unit to perform the duties of the appraisal office for the  
16 district under Section 6.05(b).

17 (c) The comptroller shall determine the compensation of a  
18 chief appraiser appointed under this section. A chief appraiser  
19 appointed under this section shall determine the budget necessary  
20 for the adequate operation of the appraisal office, subject to the  
21 approval of the comptroller. The board of directors of the  
22 appraisal district shall amend the budget as necessary to  
23 compensate the appointed chief appraiser and fund the appraisal  
24 office as determined under this subsection.

25 (d) An appraisal district that does not appoint a chief  
26 appraiser or contract with an appraisal district or a taxing unit to  
27 perform the duties of the appraisal office by the first anniversary

1 of the date the comptroller appoints a chief appraiser shall  
2 contract with an appraisal district or a taxing unit to perform the  
3 duties of the appraisal office or with a qualified public or private  
4 entity to perform the duties of the chief appraiser, subject to the  
5 approval of the comptroller.

6 SECTION 7. Section 6.052, Tax Code, is amended by amending  
7 Subsections (a), (b), (c), and (e) and adding Subsection (f) to read  
8 as follows:

9 (a) The board of directors for an appraisal district created  
10 for a county with a population of more than 120,000 [~~125,000~~] shall  
11 appoint a taxpayer liaison officer who shall serve at the pleasure  
12 of the board. The taxpayer liaison officer shall administer the  
13 public access functions required by Sections 6.04(d), (e), and (f),  
14 and is responsible for resolving disputes not involving matters  
15 that may be protested under Section 41.41. In addition, the  
16 taxpayer liaison officer is responsible for receiving, and  
17 compiling a list of, comments and suggestions filed by the chief  
18 appraiser, a property owner, or a property owner's agent concerning  
19 the matters listed in Section 5.103(b) or any other matter related  
20 to the fairness and efficiency of the appraisal review board  
21 established for the appraisal district. The taxpayer liaison  
22 officer shall forward to the comptroller comments and suggestions  
23 filed under this subsection in the form and manner prescribed by the  
24 comptroller.

25 (b) The taxpayer liaison officer shall [~~may~~] provide to the  
26 public information and materials designed to assist property owners  
27 in understanding the appraisal process, protest procedures, the

1 procedure for filing comments and suggestions under Subsection (a)  
2 of this section or a complaint under Section 6.04(g), and other  
3 [related] matters. Information concerning the process for  
4 submitting comments and suggestions to the comptroller concerning  
5 an appraisal review board shall be provided at each protest  
6 hearing.

7 (c) The taxpayer liaison officer shall report to the board  
8 at each meeting on the status of all comments and suggestions  
9 [complaints] filed with the officer under Subsection (a) of this  
10 section and all complaints filed with the board under Section  
11 6.04(g).

12 (e) The chief appraiser or any other person who performs  
13 appraisal or legal services for the appraisal district for  
14 compensation is not eligible to be the taxpayer liaison officer  
15 [for the appraisal district].

16 (f) The taxpayer liaison officer for an appraisal district  
17 described by Section 6.41(d-1) is responsible for providing  
18 clerical assistance to the local administrative district judge in  
19 the selection of appraisal review board members. The officer shall  
20 deliver to the local administrative district judge any applications  
21 to serve on the board that are submitted to the officer and shall  
22 perform other duties as requested by the local administrative  
23 district judge. The officer may not influence the process for  
24 selecting appraisal review board members.

25 SECTION 8. Section 6.41, Tax Code, is amended by amending  
26 Subsections (d-1) and (f) and adding Subsections (i), (j), and (k)  
27 to read as follows:

1           (d-1) In a county with a population of 120,000 [~~3.3 million~~  
2 ~~or more or a county with a population of 550,000 or more that is~~  
3 ~~adjacent to a county with a population of 3.3 million]~~ or more the  
4 members of the board are appointed by the local administrative  
5 district judge under Subchapter D, Chapter 74, Government Code, in  
6 the county in which the appraisal district is established. All  
7 applications submitted to the appraisal district or to the  
8 appraisal review board from persons seeking appointment as a member  
9 of the appraisal review board shall be delivered to the local  
10 administrative district judge. The appraisal district may provide  
11 the local administrative district judge with information regarding  
12 whether an applicant for appointment to or a member of the board  
13 owes any delinquent ad valorem taxes to a taxing unit participating  
14 in the appraisal district.

15           (f) A member of the board may be removed from the board by a  
16 majority vote of the appraisal district board of directors, or by  
17 the local administrative district judge or the judge's designee, as  
18 applicable, that appointed the member. Grounds for removal are:

19               (1) a violation of Section 6.412, 6.413, 41.66(f), or  
20 41.69; [~~or~~]

21               (2) good cause relating to the attendance of members  
22 at called meetings of the board as established by written policy  
23 adopted by a majority of the appraisal district board of directors;  
24 or

25               (3) clear and convincing evidence of repeated bias or  
26 misconduct.

27           (i) This subsection applies only to an appraisal district

1 described by Subsection (d-1). A chief appraiser or another  
2 employee or agent of the appraisal district, a member of the  
3 appraisal review board for the appraisal district, a member of the  
4 board of directors of the appraisal district, a property tax  
5 consultant, or an agent of a property owner commits an offense if  
6 the person communicates with the local administrative district  
7 judge regarding the appointment of appraisal review board members.

8 This subsection does not apply to:

9 (1) a communication between a member of the appraisal  
10 review board and the local administrative district judge regarding  
11 the member's reappointment to the board;

12 (2) a communication between the taxpayer liaison  
13 officer for the appraisal district and the local administrative  
14 district judge in the course of the performance of the officer's  
15 clerical duties so long as the officer does not offer an opinion or  
16 comment regarding the appointment of appraisal review board  
17 members; or

18 (3) a communication between a chief appraiser or  
19 another employee or agent of the appraisal district, a member of the  
20 appraisal review board for the appraisal district, or a member of  
21 the board of directors of the appraisal district and the local  
22 administrative district judge regarding information described by  
23 Subsection (d-1) of this section or Section 411.1296, Government  
24 Code.

25 (j) A chief appraiser or another employee or agent of an  
26 appraisal district commits an offense if the person communicates  
27 with a member of the appraisal review board for the appraisal

1 district, a member of the board of directors of the appraisal  
2 district, or, if the appraisal district is an appraisal district  
3 described by Subsection (d-1), the local administrative district  
4 judge regarding a ranking, scoring, or reporting of the percentage  
5 by which the appraisal review board or a panel of the board reduces  
6 the appraised value of property.

7 (k) An offense under Subsection (i) or (j) is a Class A  
8 misdemeanor.

9 SECTION 9. Section 6.411(c-1), Tax Code, is amended to read  
10 as follows:

11 (c-1) This section does not apply to communications with a  
12 member of an appraisal review board by [~~involving~~] the chief  
13 appraiser or another employee or a member of the board of directors  
14 of an appraisal district or a property tax consultant or attorney  
15 representing a party to a proceeding before [~~and a member of~~] the  
16 appraisal review board:

17 (1) during a hearing on a protest or other proceeding  
18 before the appraisal review board;

19 (2) that constitute social conversation;

20 (3) that are specifically limited to and involve  
21 administrative, clerical, or logistical matters related to the  
22 scheduling and operation of hearings, the processing of documents,  
23 the issuance of orders, notices, and subpoenas, and the operation,  
24 appointment, composition, or attendance at training of the  
25 appraisal review board; or

26 (4) that are necessary and appropriate to enable the  
27 board of directors of the appraisal district to determine whether

1 to appoint, reappoint, or remove a person as a member or the  
2 chairman or secretary of the appraisal review board.

3 SECTION 10. Chapter 21, Tax Code, is amended by adding  
4 Sections 21.09 and 21.10 to read as follows:

5 Sec. 21.09. ALLOCATION APPLICATION. (a) To receive an  
6 allocation authorized by Section 21.03, 21.031, 21.05, or 21.055, a  
7 person claiming the allocation must apply for the allocation. To  
8 apply for an allocation, a person must file an allocation  
9 application form with the chief appraiser in the appraisal district  
10 in which the property subject to the claimed allocation has taxable  
11 situs.

12 (b) A person claiming an allocation must apply for the  
13 allocation each year the person claims the allocation. A person  
14 claiming an allocation must file a completed allocation application  
15 form before May 1 and must provide the information required by the  
16 form. If the property was not on the appraisal roll in the  
17 preceding year, the deadline for filing the allocation application  
18 form is extended to the 45th day after the date of receipt of the  
19 notice of appraised value required by Section 25.19(a)(3). For  
20 good cause shown, the chief appraiser shall extend the deadline for  
21 filing an allocation application form by written order for a period  
22 not to exceed 60 days.

23 (c) The comptroller shall prescribe the contents of the  
24 allocation application form and shall ensure that the form requires  
25 an applicant to provide the information necessary to determine the  
26 validity of the allocation claim.

27 (d) If the chief appraiser learns of any reason indicating

1 that an allocation previously allowed should be canceled, the chief  
2 appraiser shall investigate. If the chief appraiser determines  
3 that the property is not entitled to an allocation, the chief  
4 appraiser shall cancel the allocation and deliver written notice of  
5 the cancellation not later than the fifth day after the date the  
6 chief appraiser makes the cancellation. A person may protest the  
7 cancellation of an allocation.

8 (e) The filing of a rendition under Chapter 22 is not a  
9 condition of qualification for an allocation.

10 Sec. 21.10. LATE APPLICATION FOR ALLOCATION. (a) The chief  
11 appraiser shall accept and approve or deny an application for an  
12 allocation under Section 21.09 after the deadline for filing the  
13 application has passed if the application is filed before the date  
14 the appraisal review board approves the appraisal records.

15 (b) If the application is approved, the property owner is  
16 liable to each taxing unit for a penalty in an amount equal to 10  
17 percent of the difference between the amount of tax imposed by the  
18 taxing unit on the property without the allocation and the amount of  
19 tax imposed on the property with the allocation.

20 (c) The chief appraiser shall make an entry on the appraisal  
21 records for the property indicating the property owner's liability  
22 for the penalty and shall deliver a written notice of imposition of  
23 the penalty, explaining the reason for its imposition, to the  
24 property owner.

25 (d) The tax assessor for a taxing unit that taxes the  
26 property shall add the amount of the penalty to the property owner's  
27 tax bill, and the tax collector for the unit shall collect the

1 penalty at the time and in the manner the collector collects the  
2 tax. The amount of the penalty constitutes a lien against the  
3 property against which the penalty is imposed, as if the penalty  
4 were a tax, and accrues penalty and interest in the same manner as a  
5 delinquent tax.

6 SECTION 11. Section 22.01, Tax Code, is amended by adding  
7 Subsections (c-1), (c-2), and (d-1) to read as follows:

8 (c-1) In this section:

9 (1) "Secured party" has the meaning assigned by  
10 Section 9.102, Business & Commerce Code.

11 (2) "Security interest" has the meaning assigned by  
12 Section 1.201, Business & Commerce Code.

13 (c-2) With the consent of the property owner, a secured  
14 party may render for taxation any property of the property owner in  
15 which the secured party has a security interest on January 1,  
16 although the secured party is not required to render the property by  
17 Subsection (a) or (b). This subsection applies only to property  
18 that has a historical cost when new of more than \$50,000.

19 (d-1) A secured party who renders property under Subsection  
20 (c-2) shall indicate the party's status as a secured party and shall  
21 state the name and address of the property owner. A secured party  
22 is not liable for inaccurate information included on the rendition  
23 statement if the property owner supplied the information or for  
24 failure to timely file the rendition statement if the property  
25 owner failed to promptly cooperate with the secured party. A  
26 secured party may rely on information provided by the property  
27 owner with respect to:

1           (1) the accuracy of information in the rendition  
2 statement;

3           (2) the appraisal district in which the rendition  
4 statement must be filed; and

5           (3) compliance with any provisions of this chapter  
6 that require the property owner to supply additional information.

7           SECTION 12. Section 22.24(e), Tax Code, is amended to read  
8 as follows:

9           (e) To be valid, a rendition or report must be sworn to  
10 before an officer authorized by law to administer an oath. The  
11 comptroller may not prescribe or approve a rendition or report form  
12 unless the form provides for the person filing the form to swear  
13 that the information provided in the rendition or report is true and  
14 accurate to the best of the person's knowledge and belief. This  
15 subsection does not apply to a rendition or report filed by a  
16 secured party, as defined by Section 22.01, the property owner, an  
17 employee of the property owner, or an employee of a property owner  
18 on behalf of an affiliated entity of the property owner.

19           SECTION 13. The heading to Section 23.02, Tax Code, is  
20 amended to read as follows:

21           Sec. 23.02. REAPPRAISAL OF PROPERTY DAMAGED IN [~~NATURAL~~]  
22 DISASTER AREA.

23           SECTION 14. Sections 23.02(a) and (d), Tax Code, are  
24 amended to read as follows:

25           (a) The governing body of a taxing unit that is located  
26 partly or entirely inside an area declared to be a [~~natural~~]  
27 disaster area by the governor may authorize reappraisal of all

1 property damaged in the disaster at its market value immediately  
2 after the disaster.

3 (d) If property damaged in a [~~natural~~] disaster is  
4 reappraised as provided by this section, the governing body shall  
5 provide for prorating the taxes on the property for the year in  
6 which the disaster occurred. If the taxes are prorated, taxes due  
7 on the property are determined as follows: the taxes on the property  
8 based on its value on January 1 of that year are multiplied by a  
9 fraction, the denominator of which is 365 and the numerator of which  
10 is the number of days before the date the disaster occurred; the  
11 taxes on the property based on its reappraised value are multiplied  
12 by a fraction, the denominator of which is 365 and the numerator of  
13 which is the number of days, including the date the disaster  
14 occurred, remaining in the year; and the total of the two amounts is  
15 the amount of taxes on the property for the year.

16 SECTION 15. Section 23.23, Tax Code, is amended by adding  
17 Subsection (g) to read as follows:

18 (g) In this subsection, "disaster recovery program" means  
19 the disaster recovery program administered by the General Land  
20 Office that is funded with community development block grant  
21 disaster recovery money authorized by the Consolidated Security,  
22 Disaster Assistance, and Continuing Appropriations Act, 2009 (Pub.  
23 L. No. 110-329) and the Consolidated and Further Continuing  
24 Appropriations Act, 2012 (Pub. L. No. 112-55). Notwithstanding  
25 Subsection (f)(2), and only to the extent necessary to satisfy the  
26 requirements of the disaster recovery program, a replacement  
27 structure described by that subdivision is not considered to be a

1 new improvement if to satisfy the requirements of the disaster  
2 recovery program it was necessary that:

3 (1) the square footage of the replacement structure  
4 exceed that of the replaced structure as that structure existed  
5 before the casualty or damage occurred; or

6 (2) the exterior of the replacement structure be of  
7 higher quality construction and composition than that of the  
8 replaced structure.

9 SECTION 16. Section 23.129(b), Tax Code, is amended to read  
10 as follows:

11 (b) A chief appraiser or collector may waive a penalty under  
12 Subsection (a) only if:

13 (1) the taxpayer seeking the waiver files a written  
14 application for the waiver with the chief appraiser or collector,  
15 as applicable, not later than the 30th day after the date the  
16 declaration or statement, as applicable, was required to be filed;

17 (2) the taxpayer's failure to file or failure to timely  
18 file the declaration or statement was a result of:

19 (A) a [~~natural~~] disaster that made it effectively  
20 impossible for the taxpayer to comply with the filing requirement;  
21 or

22 (B) an event beyond the control of the taxpayer  
23 that destroyed the taxpayer's property or records; and

24 (3) the taxpayer is otherwise in compliance with this  
25 chapter.

26 SECTION 17. Section 31.11, Tax Code, is amended by adding  
27 Subsections (j) and (k) to read as follows:

1        (j) If the collector for a taxing unit does not respond to an  
2 application for a refund on or before the 90th day after the date  
3 the application is filed with the collector, the application is  
4 presumed to have been denied.

5        (k) Not later than the 60th day after the date the collector  
6 for a taxing unit denies an application for a refund, the taxpayer  
7 may file suit against the taxing unit in district court to compel  
8 the payment of the refund. If the collector collects taxes for more  
9 than one taxing unit, the taxpayer shall join in the suit each  
10 taxing unit on behalf of which the collector denied the refund. If  
11 the taxpayer prevails in the suit, the taxpayer may be awarded:

12                (1) costs of court; and

13                (2) reasonable attorney's fees in an amount not to  
14 exceed the greater of:

15                        (A) \$1,500; or

16                        (B) 30 percent of the total amount of the refund  
17 determined by the court to be due.

18        SECTION 18. Section 33.48(a), Tax Code, is amended to read  
19 as follows:

20        (a) In addition to other costs authorized by law, a taxing  
21 unit is entitled to recover the following costs and expenses in a  
22 suit to collect a delinquent tax:

23                (1) all usual court costs, including the cost of  
24 serving process and electronic filing fees;

25                (2) costs of filing for record a notice of lis pendens  
26 against property;

27                (3) expenses of foreclosure sale;

1           (4) reasonable expenses that are incurred by the  
2 taxing unit in determining the name, identity, and location of  
3 necessary parties and in procuring necessary legal descriptions of  
4 the property on which a delinquent tax is due;

5           (5) attorney's fees in the amount of 15 percent of the  
6 total amount of taxes, penalties, and interest due the unit; and

7           (6) reasonable attorney ad litem fees approved by the  
8 court that are incurred in a suit in which the court orders the  
9 appointment of an attorney to represent the interests of a  
10 defendant served with process by means of citation by publication  
11 or posting.

12           SECTION 19. Section 33.49(a), Tax Code, is amended to read  
13 as follows:

14           (a) Except as provided by Subsection (b), a taxing unit is  
15 not liable in a suit to collect taxes for court costs, including any  
16 fees for service of process or electronic filing, an attorney ad  
17 litem, arbitration, or mediation, and may not be required to post  
18 security for costs.

19           SECTION 20. (a) Section 41.43, Tax Code, is amended by  
20 amending Subsection (a) and adding Subsections (a-3), (a-4), and  
21 (a-5) to read as follows:

22           (a) Except as provided by Subsections (a-1), (a-3), and (d),  
23 in a protest authorized by Section 41.41(a)(1) or (2), the  
24 appraisal district has the burden of establishing the value of the  
25 property by a preponderance of the evidence presented at the  
26 hearing. If the appraisal district fails to meet that standard, the  
27 protest shall be determined in favor of the property owner.

1       (a-3) In a protest authorized by Section 41.41(a)(1) or (2),  
2 the appraisal district has the burden of establishing the value of  
3 the property by clear and convincing evidence presented at the  
4 hearing if:

5           (1) the appraised value of the property was lowered  
6 under this subtitle in the preceding tax year;

7           (2) the appraised value of the property in the  
8 preceding tax year was not established as a result of a written  
9 agreement between the property owner or the owner's agent and the  
10 appraisal district under Section 1.111(e); and

11           (3) not later than the 14th day before the date of the  
12 first day of the hearing, the property owner files with the  
13 appraisal review board and delivers to the chief appraiser:

14           (A) information, such as income and expense  
15 statements or information regarding comparable sales, that is  
16 sufficient to allow for a determination of the appraised or market  
17 value of the property if the protest is authorized by Section  
18 41.41(a)(1); or

19           (B) information that is sufficient to allow for a  
20 determination of whether the property was appraised unequally if  
21 the protest is authorized by Section 41.41(a)(2).

22       (a-4) If the appraisal district has the burden of  
23 establishing the value of property by clear and convincing evidence  
24 presented at the hearing on a protest as provided by Subsection  
25 (a-3) and the appraisal district fails to meet that standard, the  
26 protest shall be determined in favor of the property owner.

27       (a-5) Subsection (a-3)(3) does not impose a duty on a

1 property owner to provide any information in a protest authorized  
2 by Section 41.41(a)(1) or (2). That subdivision is merely a  
3 condition to the applicability of the standard of evidence provided  
4 by Subsection (a-3).

5 (b) The change in law made by this section applies only to a  
6 protest filed with an appraisal review board on or after the  
7 effective date of this section. A protest filed with an appraisal  
8 review board before the effective date of this section is covered by  
9 the law in effect at the time the protest was filed, and the former  
10 law is continued in effect for that purpose.

11 (c) Notwithstanding any other provision of this Act, this  
12 section takes effect September 1, 2013.

13 SECTION 21. Section 41.45, Tax Code, is amended by adding  
14 Subsection (n) to read as follows:

15 (n) A property owner does not waive the right to appear in  
16 person at the protest hearing by submitting an affidavit to the  
17 appraisal review board. The board may consider the affidavit only  
18 if the property owner does not appear at the protest hearing in  
19 person. For purposes of scheduling the hearing, the property owner  
20 shall state in the affidavit that the property owner does not intend  
21 to appear at the hearing or that the property owner intends to  
22 appear at the hearing and that the affidavit may be used only if the  
23 property owner does not appear at the hearing. If the property  
24 owner does not state in the affidavit whether the owner intends to  
25 appear at the hearing, the board shall consider the submission of  
26 the affidavit as an indication that the property owner does not  
27 intend to appear at the hearing. If the property owner states in

1 the affidavit that the owner does not intend to appear at the  
2 hearing or does not state in the affidavit whether the owner intends  
3 to appear at the hearing, the appraisal review board is not required  
4 to consider the affidavit at the scheduled hearing and may consider  
5 the affidavit at a hearing designated for the specific purpose of  
6 processing affidavits.

7 SECTION 22. Section 41.66, Tax Code, is amended by adding  
8 Subsections (i), (j), (k), (l), (m), (n), and (o) to read as  
9 follows:

10 (i) A hearing on a protest filed by a property owner who is  
11 not represented by an agent designated under Section 1.111 shall be  
12 set for a time and date certain. If the hearing is not commenced  
13 within two hours of the time set for the hearing, the appraisal  
14 review board shall postpone the hearing on the request of the  
15 property owner.

16 (j) On the request of a property owner or a designated  
17 agent, an appraisal review board shall schedule hearings on  
18 protests concerning up to 20 designated properties on the same day.  
19 The designated properties must be identified in the same notice of  
20 protest, and the notice must contain in boldfaced type the  
21 statement "request for same-day protest hearings." A property  
22 owner or designated agent may not file more than one request under  
23 this subsection with the appraisal review board in the same tax  
24 year. The appraisal review board may schedule hearings on protests  
25 concerning more than 20 properties filed by the same property owner  
26 or designated agent and may use different panels to conduct the  
27 hearings based on the board's customary scheduling. The appraisal

1 review board may follow the practices customarily used by the board  
2 in the scheduling of hearings under this subsection.

3 (k) If an appraisal review board sits in panels to conduct  
4 protest hearings, protests shall be randomly assigned to panels,  
5 except that the board may consider the type of property subject to  
6 the protest or the ground of the protest for the purpose of using  
7 the expertise of a particular panel in hearing protests regarding  
8 particular types of property or based on particular grounds. If a  
9 protest is scheduled to be heard by a particular panel, the protest  
10 may not be reassigned to another panel without the consent of the  
11 property owner or designated agent. If the appraisal review board  
12 has cause to reassign a protest to another panel, a property owner  
13 or designated agent may agree to reassignment of the protest or may  
14 request that the hearing on the protest be postponed. The board  
15 shall postpone the hearing on that request. A change of members of  
16 a panel because of a conflict of interest, illness, or inability to  
17 continue participating in hearings for the remainder of the day  
18 does not constitute reassignment of a protest to another panel.

19 (l) A property owner, attorney, or agent offering evidence  
20 or argument in support of a protest brought under Section  
21 41.41(a)(1) or (2) of this code is not subject to Chapter 1103,  
22 Occupations Code, unless the person offering the evidence or  
23 argument states that the person is offering evidence or argument as  
24 a person holding a license or certificate under Chapter 1103,  
25 Occupations Code. A person holding a license or certificate under  
26 Chapter 1103, Occupations Code, shall state the capacity in which  
27 the person is appearing before the appraisal review board.

1       (m) An appraisal district or appraisal review board may not  
2 make decisions with regard to membership on a panel or chairmanship  
3 of a panel based on a member's voting record in previous protests.

4       (n) A request for postponement of a hearing must contain the  
5 mailing address and e-mail address of the person requesting the  
6 postponement. An appraisal review board shall respond in writing  
7 or by e-mail to a request for postponement of a hearing not later  
8 than the seventh day after the date of receipt of the request.

9       (o) The chairman of an appraisal review board or a member  
10 designated by the chairman may make decisions with regard to the  
11 scheduling or postponement of a hearing. The chief appraiser or a  
12 person designated by the chief appraiser may agree to a  
13 postponement of an appraisal review board hearing.

14       SECTION 23. Section 41A.03(a), Tax Code, is amended to read  
15 as follows:

16       (a) To appeal an appraisal review board order under this  
17 chapter, a property owner must file with the appraisal district not  
18 later than the 45th day after the date the property owner receives  
19 notice of the order:

20               (1) a completed request for binding arbitration under  
21 this chapter in the form prescribed by Section 41A.04; and

22               (2) an arbitration deposit made payable to the  
23 comptroller in the amount of [+

24                               ~~[(A)] \$500 [,~~  
25                               ~~[(B) \$250, if the property owner requests~~  
26 ~~expedited arbitration under Section 41A.031].~~

27       SECTION 24. Sections 42.08(b), (b-1), and (c), Tax Code,

1 are amended to read as follows:

2 (b) Except as provided in Subsection (d), a property owner  
3 who appeals as provided by this chapter must pay taxes on the  
4 property subject to the appeal in the amount required by this  
5 subsection before the delinquency date or the property owner  
6 forfeits the right to proceed to a final determination of the  
7 appeal. The amount of taxes the property owner must pay on the  
8 property before the delinquency date to comply with this subsection  
9 is the lesser of:

10 (1) the amount of taxes due on the portion of the  
11 taxable value of the property that is not in dispute; ~~or~~

12 (2) the amount of taxes due on the property under the  
13 order from which the appeal is taken; or

14 (3) the amount of taxes imposed on the property in the  
15 preceding tax year.

16 (b-1) This subsection applies only to an appeal in which the  
17 property owner elects to pay the amount of taxes described by  
18 Subsection (b)(1). The appeal filed by the property owner must be  
19 accompanied by a statement in writing of the amount of taxes the  
20 property owner proposes to pay. The failure to provide the  
21 statement required by this subsection is not a jurisdictional  
22 error.

23 (c) A property owner that pays an amount of taxes greater  
24 than that required by Subsection (b) does not forfeit the property  
25 owner's right to a final determination of the appeal by making the  
26 payment. The property owner may pay an additional amount of taxes  
27 at any time. If the property owner files a timely appeal under this

1 chapter, taxes paid on the property are considered paid under  
2 protest, even if paid before the appeal is filed. If the taxes are  
3 subject to the split-payment option provided by Section 31.03, the  
4 property owner may comply with Subsection (b) of this section by  
5 paying one-half of the amount otherwise required to be paid under  
6 that subsection before December 1 and paying the remaining one-half  
7 of that amount before July 1 of the following year.

8 SECTION 25. Section 42.21, Tax Code, is amended by adding  
9 Subsections (f), (g), and (h) to read as follows:

10 (f) A petition filed by an owner or lessee of property may  
11 include multiple properties that are owned or leased by the same  
12 person and are of a similar type or are part of the same economic  
13 unit and would typically sell as a single property. If a petition  
14 is filed by multiple plaintiffs or includes multiple properties  
15 that are not of a similar type, are not part of the same economic  
16 unit, or are part of the same economic unit but would not typically  
17 sell as a single property, the court may on motion and a showing of  
18 good cause sever the plaintiffs or the properties.

19 (g) A petition filed by an owner or lessee of property may be  
20 amended to include additional properties in the same county that  
21 are owned or leased by the same person, are of a similar type as the  
22 property originally involved in the appeal or are part of the same  
23 economic unit as the property originally involved in the appeal and  
24 would typically sell as a single property, and are the subject of an  
25 appraisal review board order issued in the same year as the order  
26 that is the subject of the original appeal. The amendment must be  
27 filed within the period during which a petition for review of the

1 appraisal review board order pertaining to the additional  
2 properties would be required to be filed under Subsection (a).

3 (h) The court has jurisdiction over an appeal under this  
4 chapter brought on behalf of a property owner or lessee and the  
5 owner or lessee is considered to have exhausted the owner's or  
6 lessee's administrative remedies regardless of whether the  
7 petition correctly identifies the plaintiff as the owner or lessee  
8 of the property or correctly describes the property so long as the  
9 property was the subject of an appraisal review board order, the  
10 petition was filed within the period required by Subsection (a),  
11 and the petition provides sufficient information to identify the  
12 property that is the subject of the petition. Whether the plaintiff  
13 is the proper party to bring the petition or whether the property  
14 needs to be further identified or described must be addressed by  
15 means of a special exception and correction of the petition by  
16 amendment as authorized by Subsection (e) and may not be the subject  
17 of a plea to the jurisdiction or a claim that the plaintiff has  
18 failed to exhaust the plaintiff's administrative remedies. If the  
19 petition is amended to add a plaintiff, the court on motion shall  
20 enter a docket control order to provide proper deadlines in  
21 response to the addition of the plaintiff.

22 SECTION 26. Section 42.23, Tax Code, is amended by adding  
23 Subsection (h) to read as follows:

24 (h) Evidence, argument, or other testimony offered at an  
25 appraisal review board hearing by a property owner or agent is not  
26 admissible in an appeal under this chapter unless:

27 (1) the evidence, argument, or other testimony is

1 offered to demonstrate that there is sufficient evidence to deny a  
2 no-evidence motion for summary judgment filed by a party to the  
3 appeal or is necessary for the determination of the merits of a  
4 motion for summary judgment filed on another ground;

5 (2) the property owner or agent is designated as a  
6 witness for purposes of trial and the testimony offered at the  
7 appraisal review board hearing is offered for impeachment purposes;  
8 or

9 (3) the evidence is the plaintiff's testimony at the  
10 appraisal review board hearing as to the value of the property.

11 SECTION 27. Section 42.29(a), Tax Code, is amended to read  
12 as follows:

13 (a) A property owner who prevails in an appeal to the court  
14 under Section 42.25 or 42.26, ~~or~~ in an appeal to the court of a  
15 determination of an appraisal review board on a motion filed under  
16 Section 25.25, or in an appeal to the court of a determination of an  
17 appraisal review board of a protest of the denial in whole or in  
18 part of an exemption under Section 11.17, 11.22, 11.23, 11.231, or  
19 11.24 may be awarded reasonable attorney's fees. The amount of the  
20 award may not exceed the greater of:

21 (1) \$15,000; or

22 (2) 20 percent of the total amount by which the  
23 property owner's tax liability is reduced as a result of the appeal.

24 SECTION 28. Section 41A.031, Tax Code, is repealed.

25 SECTION 29. The changes in law made by this Act apply to a  
26 proceeding that is pending on the effective date of this Act or is  
27 filed on or after the effective date of this Act.

1 SECTION 30. The Texas Commission of Licensing and  
2 Regulation shall adopt the rules required by Section 1151.1581(f),  
3 Occupations Code, as added by this Act, not later than January 1,  
4 2014.

5 SECTION 31. Section 6.035, Tax Code, as amended by this Act,  
6 does not affect the eligibility of an individual serving on an  
7 appraisal district board of directors immediately before the  
8 effective date of this Act to continue to serve on the appraisal  
9 district board of directors for the term to which the member was  
10 appointed.

11 SECTION 32. A person appointed or serving as a chief  
12 appraiser in an appraisal district established in a county with a  
13 population of 100,000 or less on the effective date of this Act who  
14 is not eligible to be appointed or serve as a chief appraiser under  
15 Section 6.05(c), Tax Code, as amended by this Act, but who is  
16 registered with the Texas Department of Licensing and Regulation  
17 and classified as a Class III appraiser under the rules of the Texas  
18 Commission of Licensing and Regulation may continue to serve as the  
19 chief appraiser until January 1, 2016.

20 SECTION 33. (a) As soon as practicable on or after January  
21 1, 2014, the local administrative district judge or the judge's  
22 designee in a county described by Section 6.41(d-1), Tax Code, as  
23 amended by this Act, in the manner provided by Section 6.41, Tax  
24 Code, shall appoint the members of the appraisal review board for  
25 the appraisal district established in the county. In making the  
26 initial appointments, the judge or judge's designee shall designate  
27 those members who serve terms of one year as necessary to comply

1 with Section 6.41(e), Tax Code.

2 (b) The changes made to Section 6.41, Tax Code, by this Act  
3 apply only to the appointment of appraisal review board members to  
4 terms beginning on or after January 1, 2014. This Act does not  
5 affect the term of an appraisal review board member serving on  
6 December 31, 2013, if the member was appointed before January 1,  
7 2014, to a term that began before December 31, 2013, and expires  
8 December 31, 2014.

9 SECTION 34. Section 6.411, Tax Code, as amended by this Act,  
10 applies only to an offense committed on or after the effective date  
11 of this Act. An offense committed before the effective date of this  
12 Act is governed by the law in effect on the date the offense was  
13 committed, and the former law is continued in effect for that  
14 purpose. For purposes of this section, an offense was committed  
15 before the effective date of this Act if any element of the offense  
16 occurred before that date.

17 SECTION 35. Sections 22.01 and 22.24, Tax Code, as amended  
18 by this Act, apply only to the rendition of property for ad valorem  
19 tax purposes for a tax year that begins on or after January 1, 2014.

20 SECTION 36. Section 23.02, Tax Code, as amended by this Act,  
21 applies to all properties affected by a disaster as defined by  
22 Section 418.004, Government Code, that were appraised as of January  
23 1, 2013. Property affected by a disaster and appraised prior to  
24 January 1, 2013, is governed by the law in effect at that time.

25 SECTION 37. The change in law made by Section 23.23(g), Tax  
26 Code, as added by this Act, applies only to the appraisal of a  
27 residence homestead for ad valorem tax purposes for a tax year that

1 begins on or after January 1, 2014.

2 SECTION 38. (a) Except as provided by Subsection (b) of  
3 this section:

4 (1) this Act takes effect immediately if it receives a  
5 vote of two-thirds of all the members elected to each house, as  
6 provided by Section 39, Article III, Texas Constitution; and

7 (2) if this Act does not receive the vote necessary for  
8 immediate effect, this Act takes effect September 1, 2013.

9 (b) Sections 1, 2, 3, 5, 6, 7, 8, 11, 12, 15, 21, 22, and 35  
10 of this Act take effect January 1, 2014.

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President of the Senate

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Speaker of the House

I certify that H.B. No. 585 was passed by the House on May 3, 2013, by the following vote: Yeas 143, Nays 2, 2 present, not voting; and that the House concurred in Senate amendments to H.B. No. 585 on May 24, 2013, by the following vote: Yeas 146, Nays 0, 2 present, not voting.

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Chief Clerk of the House

I certify that H.B. No. 585 was passed by the Senate, with amendments, on May 22, 2013, by the following vote: Yeas 28, Nays 3.

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Secretary of the Senate

APPROVED: \_\_\_\_\_

Date

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Governor