

1-1 By: Villarreal, Workman, King of Parker H.B. No. 585  
 1-2 (Senate Sponsor - Eltife)  
 1-3 (In the Senate - Received from the House May 6, 2013;  
 1-4 May 9, 2013, read first time and referred to Committee on Finance;  
 1-5 May 20, 2013, reported adversely, with favorable Committee  
 1-6 Substitute by the following vote: Yeas 13, Nays 1; May 20, 2013,  
 1-7 sent to printer.)

1-8 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-9				
1-10	Williams	X		
1-11	Hinojosa	X		
1-12	Deuell	X		
1-13	Duncan		X	
1-14	Eltife	X		
1-15	Estes	X		
1-16	Hegar	X		
1-17	Huffman	X		
1-18	Lucio	X		
1-19	Nelson	X		
1-20	Patrick	X		
1-21	Seliger	X		
1-22	West		X	
1-23	Whitmire	X		
1-24	Zaffirini	X		

1-25 COMMITTEE SUBSTITUTE FOR H.B. No. 585 By: Eltife

1-26 A BILL TO BE ENTITLED  
 1-27 AN ACT

1-28 relating to ad valorem taxation; creating an offense.  
 1-29 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:  
 1-30 SECTION 1. Section 5.041, Tax Code, is amended by adding  
 1-31 Subsection (b-1) and amending Subsections (e-2) and (f) to read as  
 1-32 follows:  
 1-33 (b-1) At the conclusion of a course established under  
 1-34 Subsection (a), each member of an appraisal review board in  
 1-35 attendance shall complete a statement, on a form prescribed by the  
 1-36 comptroller, indicating that the member will comply with the  
 1-37 requirements of this title in conducting hearings.  
 1-38 (e-2) During [As soon as practicable after the beginning of]  
 1-39 the second year of an appraisal review board member's term of  
 1-40 office, the member must successfully complete the course  
 1-41 established under Subsection (e-1). At the conclusion of the  
 1-42 course, the member must complete a statement described by  
 1-43 Subsection (b-1). A person may not participate in a hearing  
 1-44 conducted by the board, vote on a determination of a protest, or be  
 1-45 reappointed to an additional term on the board until the person has  
 1-46 completed [who fails to timely complete] the course established  
 1-47 under Subsection (e-1) and has received a certificate of course  
 1-48 completion [may not be reappointed to an additional term on the  
 1-49 appraisal review board]. If the person is reappointed to an  
 1-50 additional term on the appraisal review board, the person must  
 1-51 successfully complete the course established under Subsection  
 1-52 (e-1) and comply with the other requirements of this subsection in  
 1-53 each year the member continues to serve.  
 1-54 (f) The comptroller may not advise a property owner, a  
 1-55 property owner's agent, or the chief appraiser or another employee  
 1-56 of an appraisal district [ , or an appraisal review board ] on a matter  
 1-57 that the comptroller knows is the subject of a protest to the  
 1-58 appraisal review board. The comptroller may provide advice to an  
 1-59 appraisal review board member as authorized by Subsection (a)(4) of  
 1-60 this section or Section 5.103 and may communicate with the chairman

2-1 of an appraisal review board or a taxpayer liaison officer  
 2-2 concerning a complaint filed under Section 6.052.

2-3 SECTION 2. Chapter 5, Tax Code, is amended by adding Section  
 2-4 5.103 to read as follows:

2-5 Sec. 5.103. APPRAISAL REVIEW BOARD OVERSIGHT. (a) The  
 2-6 comptroller shall prepare model hearing procedures for appraisal  
 2-7 review boards.

2-8 (b) The model hearing procedures shall address:

- 2-9 (1) the statutory duties of an appraisal review board;  
 2-10 (2) the process for conducting a hearing;  
 2-11 (3) the scheduling of hearings;  
 2-12 (4) the postponement of hearings;  
 2-13 (5) the notices required under this title;  
 2-14 (6) the determination of good cause under Section  
 2-15 41.44(b);  
 2-16 (7) the determination of good cause under Sections  
 2-17 41.45(e) and (e-1);  
 2-18 (8) a party's right to offer evidence and argument;  
 2-19 (9) a party's right to examine or cross-examine  
 2-20 witnesses or other parties;  
 2-21 (10) a party's right to appear by an agent;  
 2-22 (11) the prohibition of an appraisal review board's  
 2-23 consideration of information not provided at a hearing;  
 2-24 (12) ex parte and other prohibited communications;  
 2-25 (13) the exclusion of evidence at a hearing as  
 2-26 required by Section 41.67(d);  
 2-27 (14) the postponement of a hearing as required by  
 2-28 Section 41.66(h);  
 2-29 (15) conflicts of interest;  
 2-30 (16) the process for the administration of  
 2-31 applications for membership on an appraisal review board; and  
 2-32 (17) any other matter related to fair and efficient  
 2-33 appraisal review board hearings.

2-34 (c) The comptroller may:

- 2-35 (1) categorize appraisal districts based on the size  
 2-36 of the district, the number of protests filed in the district, or  
 2-37 similar characteristics; and  
 2-38 (2) develop different model hearing procedures for  
 2-39 different categories of districts.

2-40 (d) An appraisal review board shall follow the model hearing  
 2-41 procedures prepared by the comptroller when establishing its  
 2-42 procedures for hearings as required by Section 41.66(a).

2-43 (e) The comptroller shall prescribe the contents of a survey  
 2-44 form for the purpose of providing the public a reasonable  
 2-45 opportunity to offer comments and suggestions concerning the  
 2-46 appraisal review board established for an appraisal district. The  
 2-47 survey form must permit a person to offer comments and suggestions  
 2-48 concerning the matters listed in Subsection (b) or any other matter  
 2-49 related to the fairness and efficiency of the appraisal review  
 2-50 board. The survey form, together with instructions for completing  
 2-51 the form and submitting the form, shall be provided to each property  
 2-52 owner at or before each hearing on a protest conducted by an  
 2-53 appraisal review board. The appraisal office may provide clerical  
 2-54 assistance to the comptroller for purposes of the implementation of  
 2-55 this subsection, including assistance in providing and receiving  
 2-56 the survey form. The comptroller, or an appraisal office providing  
 2-57 clerical assistance to the comptroller, may provide for the  
 2-58 provision and submission of survey forms electronically.

2-59 (f) The comptroller shall issue an annual report  
 2-60 summarizing the survey forms submitted by property owners  
 2-61 concerning each appraisal review board. The report may not  
 2-62 disclose the identity of a person who submits a survey form.

2-63 SECTION 3. Section 6.035, Tax Code, is amended by adding  
 2-64 Subsection (a-1) to read as follows:

2-65 (a-1) An individual is ineligible to serve on an appraisal  
 2-66 district board of directors if the individual has engaged in the  
 2-67 business of appraising property for compensation for use in  
 2-68 proceedings under this title or of representing property owners for  
 2-69 compensation in proceedings under this title in the appraisal

3-1 district at any time during the preceding five years.

3-2 SECTION 4. Section 6.052, Tax Code, is amended by amending  
3-3 Subsections (a), (b), (c), and (e) and adding Subsection (f) to read  
3-4 as follows:

3-5 (a) The board of directors for an appraisal district created  
3-6 for a county with a population of more than 120,000 [~~125,000~~] shall  
3-7 appoint a taxpayer liaison officer who shall serve at the pleasure  
3-8 of the board. The taxpayer liaison officer shall administer the  
3-9 public access functions required by Sections 6.04(d), (e), and (f),  
3-10 and is responsible for resolving disputes not involving matters  
3-11 that may be protested under Section 41.41. In addition, the  
3-12 taxpayer liaison officer is responsible for receiving, and  
3-13 compiling a list of, comments and suggestions filed by the chief  
3-14 appraiser, a property owner, or a property owner's agent concerning  
3-15 the matters listed in Section 5.103(b) or any other matter related  
3-16 to the fairness and efficiency of the appraisal review board  
3-17 established for the appraisal district. The taxpayer liaison  
3-18 officer shall forward to the comptroller comments and suggestions  
3-19 filed under this subsection in the form and manner prescribed by the  
3-20 comptroller.

3-21 (b) The taxpayer liaison officer shall [may] provide to the  
3-22 public information and materials designed to assist property owners  
3-23 in understanding the appraisal process, protest procedures, the  
3-24 procedure for filing comments and suggestions under Subsection (a)  
3-25 of this section or a complaint under Section 6.04(g), and other  
3-26 [related] matters. Information concerning the process for  
3-27 submitting comments and suggestions to the comptroller concerning  
3-28 an appraisal review board shall be provided at each protest  
3-29 hearing.

3-30 (c) The taxpayer liaison officer shall report to the board  
3-31 at each meeting on the status of all comments and suggestions  
3-32 [complaints] filed with the officer under Subsection (a) of this  
3-33 section and all complaints filed with the board under Section  
3-34 6.04(g).

3-35 (e) The chief appraiser or any other person who performs  
3-36 appraisal or legal services for the appraisal district for  
3-37 compensation is not eligible to be the taxpayer liaison officer  
3-38 [for the appraisal district].

3-39 (f) The taxpayer liaison officer for an appraisal district  
3-40 described by Section 6.41(d-1) is responsible for providing  
3-41 clerical assistance to the local administrative district judge in  
3-42 the selection of appraisal review board members. The officer shall  
3-43 deliver to the local administrative district judge any applications  
3-44 to serve on the board that are submitted to the officer and shall  
3-45 perform other duties as requested by the local administrative  
3-46 district judge. The officer may not influence the process for  
3-47 selecting appraisal review board members.

3-48 SECTION 5. Section 6.41, Tax Code, is amended by amending  
3-49 Subsections (d-1) and (f) and adding Subsections (i), (j), and (k)  
3-50 to read as follows:

3-51 (d-1) In a county with a population of 120,000 [~~3.3 million~~  
3-52 ~~or more or a county with a population of 550,000 or more that is~~  
3-53 ~~adjacent to a county with a population of 3.3 million]~~ or more the  
3-54 members of the board are appointed by the local administrative  
3-55 district judge under Subchapter D, Chapter 74, Government Code, in  
3-56 the county in which the appraisal district is established. All  
3-57 applications submitted to the appraisal district or to the  
3-58 appraisal review board from persons seeking appointment as a member  
3-59 of the appraisal review board shall be delivered to the local  
3-60 administrative district judge. The appraisal district may provide  
3-61 the local administrative district judge with information regarding  
3-62 whether an applicant for appointment to or a member of the board  
3-63 owes any delinquent ad valorem taxes to a taxing unit participating  
3-64 in the appraisal district.

3-65 (f) A member of the board may be removed from the board by a  
3-66 majority vote of the appraisal district board of directors, or by  
3-67 the local administrative district judge or the judge's designee, as  
3-68 applicable, that appointed the member. Grounds for removal are:

3-69 (1) a violation of Section 6.412, 6.413, 41.66(f), or

4-1 41.69; [~~or~~]

4-2 (2) good cause relating to the attendance of members  
4-3 at called meetings of the board as established by written policy  
4-4 adopted by a majority of the appraisal district board of directors;  
4-5 or

4-6 (3) clear and convincing evidence of repeated bias or  
4-7 misconduct.

4-8 (i) This subsection applies only to an appraisal district  
4-9 described by Subsection (d-1). A chief appraiser or another  
4-10 employee or agent of the appraisal district, a member of the  
4-11 appraisal review board for the appraisal district, a member of the  
4-12 board of directors of the appraisal district, a property tax  
4-13 consultant, or an agent of a property owner commits an offense if  
4-14 the person communicates with the local administrative district  
4-15 judge regarding the appointment of appraisal review board members.  
4-16 This subsection does not apply to:

4-17 (1) a communication between a member of the appraisal  
4-18 review board and the local administrative district judge regarding  
4-19 the member's reappointment to the board;

4-20 (2) a communication between the taxpayer liaison  
4-21 officer for the appraisal district and the local administrative  
4-22 district judge in the course of the performance of the officer's  
4-23 clerical duties so long as the officer does not offer an opinion or  
4-24 comment regarding the appointment of appraisal review board  
4-25 members; or

4-26 (3) a communication between a chief appraiser or  
4-27 another employee or agent of the appraisal district, a member of the  
4-28 appraisal review board for the appraisal district, or a member of the  
4-29 board of directors of the appraisal district and the local  
4-30 administrative district judge regarding information described by  
4-31 Subsection (d-1) of this section or Section 411.1296, Government  
4-32 Code.

4-33 (j) A chief appraiser or another employee or agent of an  
4-34 appraisal district commits an offense if the person communicates  
4-35 with a member of the appraisal review board for the appraisal  
4-36 district, a member of the board of directors of the appraisal  
4-37 district, or, if the appraisal district is an appraisal district  
4-38 described by Subsection (d-1), the local administrative district  
4-39 judge regarding a ranking, scoring, or reporting of the percentage  
4-40 by which the appraisal review board or a panel of the board reduces  
4-41 the appraised value of property.

4-42 (k) An offense under Subsection (i) or (j) is a Class A  
4-43 misdemeanor.

4-44 SECTION 6. Section 6.411(c-1), Tax Code, is amended to read  
4-45 as follows:

4-46 (c-1) This section does not apply to communications with a  
4-47 member of an appraisal review board by [~~involving~~] the chief  
4-48 appraiser or another employee or a member of the board of directors  
4-49 of an appraisal district or a property tax consultant or attorney  
4-50 representing a party to a proceeding before [~~and a member of~~] the  
4-51 appraisal review board:

4-52 (1) during a hearing on a protest or other proceeding  
4-53 before the appraisal review board;

4-54 (2) that constitute social conversation;

4-55 (3) that are specifically limited to and involve  
4-56 administrative, clerical, or logistical matters related to the  
4-57 scheduling and operation of hearings, the processing of documents,  
4-58 the issuance of orders, notices, and subpoenas, and the operation,  
4-59 appointment, composition, or attendance at training of the  
4-60 appraisal review board; or

4-61 (4) that are necessary and appropriate to enable the  
4-62 board of directors of the appraisal district to determine whether  
4-63 to appoint, reappoint, or remove a person as a member or the  
4-64 chairman or secretary of the appraisal review board.

4-65 SECTION 7. Chapter 21, Tax Code, is amended by adding  
4-66 Sections 21.09 and 21.10 to read as follows:

4-67 Sec. 21.09. ALLOCATION APPLICATION. (a) To receive an  
4-68 allocation authorized by Section 21.03, 21.031, 21.05, or 21.055, a  
4-69 person claiming the allocation must apply for the allocation. To

5-1 apply for an allocation, a person must file an allocation  
 5-2 application form with the chief appraiser in the appraisal district  
 5-3 in which the property subject to the claimed allocation has taxable  
 5-4 situs.

5-5 (b) A person claiming an allocation must apply for the  
 5-6 allocation each year the person claims the allocation. A person  
 5-7 claiming an allocation must file a completed allocation application  
 5-8 form before May 1 and must provide the information required by the  
 5-9 form. If the property was not on the appraisal roll in the  
 5-10 preceding year, the deadline for filing the allocation application  
 5-11 form is extended to the 45th day after the date of receipt of the  
 5-12 notice of appraised value required by Section 25.19(a)(3). For  
 5-13 good cause shown, the chief appraiser shall extend the deadline for  
 5-14 filing an allocation application form by written order for a period  
 5-15 not to exceed 60 days.

5-16 (c) The comptroller shall prescribe the contents of the  
 5-17 allocation application form and shall ensure that the form requires  
 5-18 an applicant to provide the information necessary to determine the  
 5-19 validity of the allocation claim.

5-20 (d) If the chief appraiser learns of any reason indicating  
 5-21 that an allocation previously allowed should be canceled, the chief  
 5-22 appraiser shall investigate. If the chief appraiser determines  
 5-23 that the property is not entitled to an allocation, the chief  
 5-24 appraiser shall cancel the allocation and deliver written notice of  
 5-25 the cancellation not later than the fifth day after the date the  
 5-26 chief appraiser makes the cancellation. A person may protest the  
 5-27 cancellation of an allocation.

5-28 (e) The filing of a rendition under Chapter 22 is not a  
 5-29 condition of qualification for an allocation.

5-30 Sec. 21.10. LATE APPLICATION FOR ALLOCATION. (a) The chief  
 5-31 appraiser shall accept and approve or deny an application for an  
 5-32 allocation under Section 21.09 after the deadline for filing the  
 5-33 application has passed if the application is filed before the date  
 5-34 the appraisal review board approves the appraisal records.

5-35 (b) If the application is approved, the property owner is  
 5-36 liable to each taxing unit for a penalty in an amount equal to 10  
 5-37 percent of the difference between the amount of tax imposed by the  
 5-38 taxing unit on the property without the allocation and the amount of  
 5-39 tax imposed on the property with the allocation.

5-40 (c) The chief appraiser shall make an entry on the appraisal  
 5-41 records for the property indicating the property owner's liability  
 5-42 for the penalty and shall deliver a written notice of imposition of  
 5-43 the penalty, explaining the reason for its imposition, to the  
 5-44 property owner.

5-45 (d) The tax assessor for a taxing unit that taxes the  
 5-46 property shall add the amount of the penalty to the property owner's  
 5-47 tax bill, and the tax collector for the unit shall collect the  
 5-48 penalty at the time and in the manner the collector collects the  
 5-49 tax. The amount of the penalty constitutes a lien against the  
 5-50 property against which the penalty is imposed, as if the penalty  
 5-51 were a tax, and accrues penalty and interest in the same manner as a  
 5-52 delinquent tax.

5-53 SECTION 8. Section 22.01, Tax Code, is amended by adding  
 5-54 Subsections (c-1), (c-2), and (d-1) to read as follows:

5-55 (c-1) In this section:

5-56 (1) "Secured party" has the meaning assigned by  
 5-57 Section 9.102, Business & Commerce Code.

5-58 (2) "Security interest" has the meaning assigned by  
 5-59 Section 1.201, Business & Commerce Code.

5-60 (c-2) With the consent of the property owner, a secured  
 5-61 party may render for taxation any property of the property owner in  
 5-62 which the secured party has a security interest on January 1,  
 5-63 although the secured party is not required to render the property by  
 5-64 Subsection (a) or (b). This subsection applies only to property  
 5-65 that has a historical cost when new of more than \$50,000.

5-66 (d-1) A secured party who renders property under Subsection  
 5-67 (c-2) shall indicate the party's status as a secured party and shall  
 5-68 state the name and address of the property owner. A secured party  
 5-69 is not liable for inaccurate information included on the rendition

6-1 statement if the property owner supplied the information or for  
 6-2 failure to timely file the rendition statement if the property  
 6-3 owner failed to promptly cooperate with the secured party. A  
 6-4 secured party may rely on information provided by the property  
 6-5 owner with respect to:

6-6 (1) the accuracy of information in the rendition  
 6-7 statement;

6-8 (2) the appraisal district in which the rendition  
 6-9 statement must be filed; and

6-10 (3) compliance with any provisions of this chapter  
 6-11 that require the property owner to supply additional information.

6-12 SECTION 9. Section 22.24(e), Tax Code, is amended to read as  
 6-13 follows:

6-14 (e) To be valid, a rendition or report must be sworn to  
 6-15 before an officer authorized by law to administer an oath. The  
 6-16 comptroller may not prescribe or approve a rendition or report form  
 6-17 unless the form provides for the person filing the form to swear  
 6-18 that the information provided in the rendition or report is true and  
 6-19 accurate to the best of the person's knowledge and belief. This  
 6-20 subsection does not apply to a rendition or report filed by a  
 6-21 secured party, as defined by Section 22.01, the property owner, an  
 6-22 employee of the property owner, or an employee of a property owner  
 6-23 on behalf of an affiliated entity of the property owner.

6-24 SECTION 10. Section 31.11, Tax Code, is amended by adding  
 6-25 Subsections (j) and (k) to read as follows:

6-26 (j) If the collector for a taxing unit does not respond to an  
 6-27 application for a refund on or before the 90th day after the date  
 6-28 the application is filed with the collector, the application is  
 6-29 presumed to have been denied.

6-30 (k) Not later than the 60th day after the date the collector  
 6-31 for a taxing unit denies an application for a refund, the taxpayer  
 6-32 may file suit against the taxing unit in district court to compel  
 6-33 the payment of the refund. If the collector collects taxes for more  
 6-34 than one taxing unit, the taxpayer may join in the suit each taxing  
 6-35 unit on behalf of which the collector denied the refund. If the  
 6-36 taxpayer prevails in the suit, the taxpayer may be awarded:

6-37 (1) costs of court; and

6-38 (2) reasonable attorney's fees in an amount not to  
 6-39 exceed the greater of:

6-40 (A) \$1,500; or

6-41 (B) 30 percent of the total amount of the refund  
 6-42 determined by the court to be due.

6-43 SECTION 11. Section 33.48(a), Tax Code, is amended to read  
 6-44 as follows:

6-45 (a) In addition to other costs authorized by law, a taxing  
 6-46 unit is entitled to recover the following costs and expenses in a  
 6-47 suit to collect a delinquent tax:

6-48 (1) all usual court costs, including the cost of  
 6-49 serving process and electronic filing fees;

6-50 (2) costs of filing for record a notice of lis pendens  
 6-51 against property;

6-52 (3) expenses of foreclosure sale;

6-53 (4) reasonable expenses that are incurred by the  
 6-54 taxing unit in determining the name, identity, and location of  
 6-55 necessary parties and in procuring necessary legal descriptions of  
 6-56 the property on which a delinquent tax is due;

6-57 (5) attorney's fees in the amount of 15 percent of the  
 6-58 total amount of taxes, penalties, and interest due the unit; and

6-59 (6) reasonable attorney ad litem fees approved by the  
 6-60 court that are incurred in a suit in which the court orders the  
 6-61 appointment of an attorney to represent the interests of a  
 6-62 defendant served with process by means of citation by publication  
 6-63 or posting.

6-64 SECTION 12. Section 33.49(a), Tax Code, is amended to read  
 6-65 as follows:

6-66 (a) Except as provided by Subsection (b), a taxing unit is  
 6-67 not liable in a suit to collect taxes for court costs, including any  
 6-68 fees for service of process or electronic filing, an attorney ad  
 6-69 litem, arbitration, or mediation, and may not be required to post

7-1 security for costs.

7-2 SECTION 13. Section 41.45, Tax Code, is amended by adding  
7-3 Subsection (n) to read as follows:

7-4 (n) A property owner does not waive the right to appear in  
7-5 person at the protest hearing by submitting an affidavit to the  
7-6 appraisal review board. The board may consider the affidavit only  
7-7 if the property owner does not appear at the protest hearing in  
7-8 person. For purposes of scheduling the hearing, the property owner  
7-9 shall state in the affidavit that the property owner does not intend  
7-10 to appear at the hearing or that the property owner intends to  
7-11 appear at the hearing and that the affidavit may be used only if the  
7-12 property owner does not appear at the hearing. If the property  
7-13 owner does not state in the affidavit whether the owner intends to  
7-14 appear at the hearing, the board shall consider the submission of  
7-15 the affidavit as an indication that the property owner does not  
7-16 intend to appear at the hearing. If the property owner states in  
7-17 the affidavit that the owner does not intend to appear at the  
7-18 hearing or does not state in the affidavit whether the owner intends  
7-19 to appear at the hearing, the appraisal review board is not required  
7-20 to consider the affidavit at the scheduled hearing and may consider  
7-21 the affidavit at a hearing designated for the specific purpose of  
7-22 processing affidavits.

7-23 SECTION 14. Section 41.66, Tax Code, is amended by adding  
7-24 Subsections (i), (j), (k), (l), (m), (n), and (o) to read as  
7-25 follows:

7-26 (i) A hearing on a protest filed by a property owner who is  
7-27 not represented by an agent designated under Section 1.111 shall be  
7-28 set for a time and date certain. If the hearing is not commenced  
7-29 within two hours of the time set for the hearing, the appraisal  
7-30 review board shall postpone the hearing on the request of the  
7-31 property owner.

7-32 (j) On the request of a property owner or a designated  
7-33 agent, an appraisal review board shall schedule hearings on  
7-34 protests concerning up to 20 designated properties on the same day.  
7-35 The designated properties must be identified in the same notice of  
7-36 protest, and the notice must contain in boldfaced type the  
7-37 statement "request for same-day protest hearings." A property  
7-38 owner or designated agent may not file more than one request under  
7-39 this subsection with the appraisal review board in the same tax  
7-40 year. The appraisal review board may schedule hearings on protests  
7-41 concerning more than 20 properties filed by the same property owner  
7-42 or designated agent and may use different panels to conduct the  
7-43 hearings based on the board's customary scheduling. The appraisal  
7-44 review board may follow the practices customarily used by the board  
7-45 in the scheduling of hearings under this subsection.

7-46 (k) If an appraisal review board sits in panels to conduct  
7-47 protest hearings, protests shall be randomly assigned to panels,  
7-48 except that the board may consider the type of property subject to  
7-49 the protest or the ground of the protest for the purpose of using  
7-50 the expertise of a particular panel in hearing protests regarding  
7-51 particular types of property or based on particular grounds. If a  
7-52 protest is scheduled to be heard by a particular panel, the protest  
7-53 may not be reassigned to another panel without the consent of the  
7-54 property owner or designated agent. If the appraisal review board  
7-55 has cause to reassign a protest to another panel, a property owner  
7-56 or designated agent may agree to reassignment of the protest or may  
7-57 request that the hearing on the protest be postponed. The board  
7-58 shall postpone the hearing on that request. A change of members of  
7-59 a panel because of a conflict of interest, illness, or inability to  
7-60 continue participating in hearings for the remainder of the day  
7-61 does not constitute reassignment of a protest to another panel.

7-62 (l) A property owner, attorney, or agent offering evidence  
7-63 or argument in support of a protest brought under Section  
7-64 41.41(a)(1) or (2) of this code is not subject to Chapter 1103,  
7-65 Occupations Code, unless the person offering the evidence or  
7-66 argument states that the person is offering evidence or argument as  
7-67 a person holding a license or certificate under Chapter 1103,  
7-68 Occupations Code. A person holding a license or certificate under  
7-69 Chapter 1103, Occupations Code, shall state the capacity in which

8-1 the person is appearing before the appraisal review board.

8-2 (m) An appraisal district or appraisal review board may not  
8-3 make decisions with regard to membership on a panel or chairmanship  
8-4 of a panel based on a member's voting record in previous protests.

8-5 (n) A request for postponement of a hearing must contain the  
8-6 mailing address and e-mail address of the person requesting the  
8-7 postponement. An appraisal review board shall respond in writing  
8-8 or by e-mail to a request for postponement of a hearing not later  
8-9 than the seventh day after the date of receipt of the request.

8-10 (o) The chairman of an appraisal review board or a member  
8-11 designated by the chairman may make decisions with regard to the  
8-12 scheduling or postponement of a hearing. The chief appraiser or a  
8-13 person designated by the chief appraiser may agree to a  
8-14 postponement of an appraisal review board hearing.

8-15 SECTION 15. Section 41A.03(a), Tax Code, is amended to read  
8-16 as follows:

8-17 (a) To appeal an appraisal review board order under this  
8-18 chapter, a property owner must file with the appraisal district not  
8-19 later than the 45th day after the date the property owner receives  
8-20 notice of the order:

8-21 (1) a completed request for binding arbitration under  
8-22 this chapter in the form prescribed by Section 41A.04; and

8-23 (2) an arbitration deposit made payable to the  
8-24 comptroller in the amount of[+]

8-25 [~~(A)~~] \$500[~~+~~ or

8-26 [~~(B)~~] \$250, if the property owner requests  
8-27 expedited arbitration under Section 41A.031].

8-28 SECTION 16. Sections 42.08(b), (b-1), and (c), Tax Code,  
8-29 are amended to read as follows:

8-30 (b) Except as provided in Subsection (d), a property owner  
8-31 who appeals as provided by this chapter must pay taxes on the  
8-32 property subject to the appeal in the amount required by this  
8-33 subsection before the delinquency date or the property owner  
8-34 forfeits the right to proceed to a final determination of the  
8-35 appeal. The amount of taxes the property owner must pay on the  
8-36 property before the delinquency date to comply with this subsection  
8-37 is the lesser of:

8-38 (1) the amount of taxes due on the portion of the  
8-39 taxable value of the property that is not in dispute; [~~or~~]

8-40 (2) the amount of taxes due on the property under the  
8-41 order from which the appeal is taken; or

8-42 (3) the amount of taxes imposed on the property in the  
8-43 preceding tax year.

8-44 (b-1) This subsection applies only to an appeal in which the  
8-45 property owner elects to pay the amount of taxes described by  
8-46 Subsection (b)(1). The appeal filed by the property owner must be  
8-47 accompanied by a statement in writing of the amount of taxes the  
8-48 property owner proposes to pay. The failure to provide the  
8-49 statement required by this subsection is not a jurisdictional  
8-50 error.

8-51 (c) A property owner that pays an amount of taxes greater  
8-52 than that required by Subsection (b) does not forfeit the property  
8-53 owner's right to a final determination of the appeal by making the  
8-54 payment. The property owner may pay an additional amount of taxes  
8-55 at any time. If the property owner files a timely appeal under this  
8-56 chapter, taxes paid on the property are considered paid under  
8-57 protest, even if paid before the appeal is filed. If the taxes are  
8-58 subject to the split-payment option provided by Section 31.03, the  
8-59 property owner may comply with Subsection (b) of this section by  
8-60 paying one-half of the amount otherwise required to be paid under  
8-61 that subsection before December 1 and paying the remaining one-half  
8-62 of that amount before July 1 of the following year.

8-63 SECTION 17. Section 42.21, Tax Code, is amended by adding  
8-64 Subsections (f), (g), and (h) to read as follows:

8-65 (f) A petition filed by an owner or lessee of property may  
8-66 include multiple properties that are owned or leased by the same  
8-67 person and are of a similar type or are part of the same economic  
8-68 unit and would typically sell as a single property. If a petition  
8-69 is filed by multiple plaintiffs or includes multiple properties



9-1 that are not of a similar type, are not part of the same economic  
 9-2 unit, or are part of the same economic unit but would not typically  
 9-3 sell as a single property, the court may on motion and a showing of  
 9-4 good cause sever the plaintiffs or the properties.

9-5 (g) A petition filed by an owner or lessee of property may be  
 9-6 amended to include additional properties in the same county that  
 9-7 are owned or leased by the same person, are of a similar type as the  
 9-8 property originally involved in the appeal or are part of the same  
 9-9 economic unit as the property originally involved in the appeal and  
 9-10 would typically sell as a single property, and are the subject of an  
 9-11 appraisal review board order issued in the same year as the order  
 9-12 that is the subject of the original appeal. The amendment must be  
 9-13 filed within the period during which a petition for review of the  
 9-14 appraisal review board order pertaining to the additional  
 9-15 properties would be required to be filed under Subsection (a).

9-16 (h) The court has jurisdiction over an appeal under this  
 9-17 chapter brought on behalf of a property owner or lessee and the  
 9-18 owner or lessee is considered to have exhausted the owner's or  
 9-19 lessee's administrative remedies regardless of whether the  
 9-20 petition correctly identifies the plaintiff as the owner or lessee  
 9-21 of the property or correctly describes the property so long as the  
 9-22 property was the subject of an appraisal review board order, the  
 9-23 petition was filed within the period required by Subsection (a),  
 9-24 and the petition provides sufficient information to identify the  
 9-25 property that is the subject of the petition. Whether the plaintiff  
 9-26 is the proper party to bring the petition or whether the property  
 9-27 needs to be further identified or described must be addressed by  
 9-28 means of a special exception and correction of the petition by  
 9-29 amendment as authorized by Subsection (e) and may not be the subject  
 9-30 of a plea to the jurisdiction or a claim that the plaintiff has  
 9-31 failed to exhaust the plaintiff's administrative remedies. If the  
 9-32 petition is amended to add a plaintiff, the court on motion shall  
 9-33 enter a docket control order to provide proper deadlines in  
 9-34 response to the addition of the plaintiff.

9-35 SECTION 18. Section 42.23, Tax Code, is amended by adding  
 9-36 Subsection (h) to read as follows:

9-37 (h) Evidence, argument, or other testimony offered at an  
 9-38 appraisal review board hearing by a property owner or agent is not  
 9-39 admissible in an appeal under this chapter unless:

9-40 (1) the evidence, argument, or other testimony is  
 9-41 offered to demonstrate that there is sufficient evidence to deny a  
 9-42 no-evidence motion for summary judgment filed by a party to the  
 9-43 appeal or is necessary for the determination of the merits of a  
 9-44 motion for summary judgment filed on another ground;

9-45 (2) the property owner or agent is designated as a  
 9-46 witness for purposes of trial and the testimony offered at the  
 9-47 appraisal review board hearing is offered for impeachment purposes;  
 9-48 or

9-49 (3) the evidence is the plaintiff's testimony at the  
 9-50 appraisal review board hearing as to the value of the property.

9-51 SECTION 19. Section 42.29(a), Tax Code, is amended to read  
 9-52 as follows:

9-53 (a) A property owner who prevails in an appeal to the court  
 9-54 under Section 42.25 or 42.26, ~~or~~ in an appeal to the court of a  
 9-55 determination of an appraisal review board on a motion filed under  
 9-56 Section 25.25, or in an appeal to the court of a determination of an  
 9-57 appraisal review board of a protest of the denial in whole or in  
 9-58 part of an exemption under Section 11.17, 11.22, 11.23, 11.231, or  
 9-59 11.24 may be awarded reasonable attorney's fees. The amount of the  
 9-60 award may not exceed the greater of:

9-61 (1) \$15,000; or

9-62 (2) 20 percent of the total amount by which the  
 9-63 property owner's tax liability is reduced as a result of the appeal.

9-64 SECTION 20. Section 41A.031, Tax Code, is repealed.

9-65 SECTION 21. The changes in law made by this Act apply to a  
 9-66 proceeding that is pending on the effective date of this Act or is  
 9-67 filed on or after the effective date of this Act.

9-68 SECTION 22. Section 6.035, Tax Code, as amended by this Act,  
 9-69 does not affect the eligibility of an individual serving on an

10-1 appraisal district board of directors immediately before the  
10-2 effective date of this Act to continue to serve on the appraisal  
10-3 district board of directors for the term to which the member was  
10-4 appointed.

10-5 SECTION 23. (a) As soon as practicable on or after January  
10-6 1, 2014, the local administrative district judge or the judge's  
10-7 designee in a county described by Section 6.41(d-1), Tax Code, as  
10-8 amended by this Act, in the manner provided by Section 6.41, Tax  
10-9 Code, shall appoint the members of the appraisal review board for  
10-10 the appraisal district established in the county. In making the  
10-11 initial appointments, the judge or judge's designee shall designate  
10-12 those members who serve terms of one year as necessary to comply  
10-13 with Section 6.41(e), Tax Code.

10-14 (b) The changes made to Section 6.41, Tax Code, by this Act  
10-15 apply only to the appointment of appraisal review board members to  
10-16 terms beginning on or after January 1, 2014. This Act does not  
10-17 affect the term of an appraisal review board member serving on  
10-18 December 31, 2013, if the member was appointed before January 1,  
10-19 2014, to a term that began before December 31, 2013, and expires  
10-20 December 31, 2014.

10-21 SECTION 24. Section 6.411, Tax Code, as amended by this Act,  
10-22 applies only to an offense committed on or after the effective date  
10-23 of this Act. An offense committed before the effective date of this  
10-24 Act is governed by the law in effect on the date the offense was  
10-25 committed, and the former law is continued in effect for that  
10-26 purpose. For purposes of this section, an offense was committed  
10-27 before the effective date of this Act if any element of the offense  
10-28 occurred before that date.

10-29 SECTION 25. Sections 22.01 and 22.24, Tax Code, as amended  
10-30 by this Act, apply only to the rendition of property for ad valorem  
10-31 tax purposes for a tax year that begins on or after January 1, 2014.

10-32 SECTION 26. (a) Except as provided by Subsection (b) of  
10-33 this section:

10-34 (1) this Act takes effect immediately if it receives a  
10-35 vote of two-thirds of all the members elected to each house, as  
10-36 provided by Section 39, Article III, Texas Constitution; and

10-37 (2) if this Act does not receive the vote necessary for  
10-38 immediate effect, this Act takes effect September 1, 2013.

10-39 (b) Sections 1, 2, 4, 5, 8, 9, 13, 14, and 25 of this Act take  
10-40 effect January 1, 2014.

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