

By: Elkins

H.B. No. 2419

A BILL TO BE ENTITLED

AN ACT

1  
2 Relating to a pilot program authorizing an administrative district  
3 judge to appoint special magistrates to assist in hearing ad  
4 valorem tax protests.

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

6 SECTION 1. Subchapter C, Chapter 41, Tax Code, is amended by  
7 adding Section 41.463 to read as follows:

8 41.463. PILOT PROGRAM; APPOINTMENT OF SPECIAL MAGISTRATES  
9 TO ASSIST IN CONDUCTING PROTEST HEARINGS IN HARRIS COUNTY. (a) The  
10 local administrative district judge of Harris County shall appoint  
11 as many special magistrates as the judge, with the advice of the  
12 appraisal district board of directors, determines appropriate to  
13 conduct hearings on protests and recommend determinations in a  
14 timely manner under this title.

15 (b) A special magistrate may conduct hearings and recommend  
16 determinations of any matter that the appraisal review board or a  
17 panel of the board may make under this Chapter.

18 (c) The chairman of the Appraisal Review Board shall assign  
19 hearings to special magistrates in a manner that does not consider  
20 the magistrate's record of determinations of prior protests.  
21 However, cases may be assigned according to the magistrate's  
22 particular knowledge or expertise.

23 (d) Special magistrates may not be elected or appointed  
24 officials or employees of a taxing unit, the appraisal district, or

1 the comptroller's office, nor persons licensed as tax consultants  
2 by the Department of Licensing and Regulation. The chief appraiser  
3 shall annually notify such individuals or their professional  
4 associations to make known to them that opportunities to serve as  
5 special magistrates exist. The administrative district judge shall  
6 establish a reasonable range of per diem compensation for special  
7 magistrates. The appraisal district budget shall provide an  
8 appropriate amount for that purpose.

9 (e) If practicable, the administrative district judge shall  
10 appoint special magistrates according to the following  
11 qualifications:

12 (1) a special magistrate appointed to hear issues of  
13 exemptions and classifications shall be a member of The Texas Bar  
14 with experience in the area of ad valorem taxation;

15 (2) a special magistrate appointed to hear issues  
16 regarding the valuation of real estate shall be a licensed real  
17 estate appraiser with not less than 5 years' experience in real  
18 property valuation;

19 (3) a special magistrate appointed to hear issues  
20 regarding the valuation of tangible personal property shall be a  
21 certified public accountant or a designated member of a nationally  
22 recognized appraiser's organization with experience in tangible  
23 personal property valuation.

24 (4) Notwithstanding the foregoing, the administrative  
25 district judge, with the advice of the chairman of the appraisal  
26 review board, may consider the needs of the appraisal review board  
27 and the experience of special magistrate candidates in lieu of the

1 requirements of subsection (e)(1) through (e)(3), in order to make  
2 appointments as special magistrates.

3 (f) A special magistrate need not be a resident of the  
4 county in which he or she serves. A special magistrate may not  
5 represent a person before the board in any tax year during which he  
6 or she has served that board as a special magistrate. Before  
7 appointing a special magistrate, The administrative district judge  
8 shall verify the special magistrate's qualifications. The judge  
9 shall ensure that the selection of special magistrates is based  
10 solely upon the experience and qualifications of the special  
11 magistrate and is not influenced by the chief appraiser.

12 (g) Hearings by a special magistrate are scheduled and  
13 conducted in the manner provided by this chapter for hearings of the  
14 appraisal review board.

15 (h) A special magistrate shall serve as an independent  
16 contractor to the appraisal review board, subject to appropriation.  
17 Notwithstanding any agreement between the board of directors of the  
18 appraisal district or the appraisal review board and the special  
19 magistrate to the contrary, a special magistrate's services to the  
20 appraisal review board may be cancelled at any time upon the vote of  
21 a majority of four of the serving members of the appraisal review  
22 board.

23 (h-1) A special magistrate may be removed by the local  
24 administrative district judge for a violation of Section 6.412,  
25 6.413, 41.66(f), or 41.69, Tax Code.

26 (i) A special magistrate must complete training as  
27 specified by comptroller rule before commencing hearings for a tax

1 year. The comptroller may require that magistrates attend the  
2 training provided for members of the appraisal review board.

3 SECTION 2. Subchapter C, Chapter 41, Tax Code, is amended by  
4 adding Section 41.4631 to read as follows:

5 41.4631. PILOT PROGRAM; APPOINTMENT OF SPECIAL MAGISTRATES  
6 EXPIRATION OF CURRENT APPRAISAL REVIEW BOARD TERMS. (a) Special  
7 magistrates shall hold office for terms of two years beginning  
8 January 1. The appraisal district board of directors by resolution  
9 shall provide for staggered terms, so that the terms of as close to  
10 one-half of the special magistrates as possible expire each year.  
11 In making the initial or subsequent appointments, the local  
12 administrative district judge shall designate those special  
13 magistrates who serve terms of one year as needed to comply with  
14 this subsection.

15 (a-1) Upon the effective date of the pilot program under  
16 section 41.463, Tax Code, the administrative law judge may begin  
17 appointing special magistrates for the initial term beginning  
18 January 1, 2014.

19 (b) Upon the effective date of the pilot program under  
20 section 41.463, Tax Code, the terms of all then current appraisal  
21 review board members shall be set to expire on December 31, 2013.

22 (c) Appraisal review board members serving as of the  
23 effective date of the pilot program under section 41.463, Tax Code,  
24 are eligible to serve as appraisal review board members under the  
25 pilot program, unless otherwise prohibited by this title.

26 SECTION 3. Section 6.41, Tax Code, is amended by adding  
27 Subsection (b-1) to read as follows:

1           Sec. 6.41. APPRAISAL REVIEW BOARD. (b-1) Notwithstanding  
2 subsection (b), in a county with a population of 3.3 million or  
3 more, the board shall consist of five members.

4           SECTION 4. Section 6.411, Tax Code, is amended to read as  
5 follows:

6           Sec. 6.411. EX PARTE COMMUNICATIONS; PENALTY. (a) A member  
7 of an appraisal review board, or a special magistrate appointed  
8 under Section 41.463, Tax Code, commits an offense if the member  
9 communicates with the chief appraiser or another employee or a  
10 member of the board of directors of the appraisal district for which  
11 the appraisal review board is established in violation of Section  
12 41.66(f).

13           (b) A chief appraiser or another employee of an appraisal  
14 district, a member of a board of directors of an appraisal district,  
15 or a property tax consultant or attorney representing a party to a  
16 proceeding before the appraisal review board commits an offense if  
17 the person communicates with a special magistrate appointed under  
18 Section 41.463, Tax Code, or a member of the appraisal review board  
19 established for the appraisal district with the intent to influence  
20 a decision by the special magistrate or member in the member's  
21 capacity as a member of the appraisal review board.

22           SECTION 5. Section 41.45, Tax Code, is amended by adding  
23 Subsection (d-1) to read as follows:

24           Sec. 41.45. HEARING ON PROTEST. (d-1) Notwithstanding  
25 subsection (d), in a county with a population of 3.3 million or  
26 more, a special magistrate appointed under section 41.463 shall  
27 conduct protest hearings. However, the determination of a protest

1 heard by a special magistrate must be made by the board. If the  
2 recommendation of a special magistrate is not accepted by the  
3 board, the board may refer the matter for rehearing to a separate  
4 special magistrate, or the board, by majority vote, may determine  
5 the protest. Before determining a protest or conducting a rehearing  
6 before a new special magistrate, the board shall deliver notice of  
7 the hearing or meeting to determine the protest in accordance with  
8 the provisions of this subchapter.

9         SECTION 6. Subchapter C, Chapter 41, Tax Code, is amended by  
10 adding Section 41.4632 to read as follows: (a) The pilot program  
11 under section 41.463 shall be implemented in a county with a  
12 population of 3.3 million or more.

13         (b) Unless continued, the pilot program shall expire on  
14 December 31, 2017.

15         SECTION 7. This Act takes effect September 1, 2013.