

BILL ANALYSIS

C.S.H.B. 3012
By: Parker
Ways & Means
Committee Report (Substituted)

BACKGROUND AND PURPOSE

According to interested parties, a consistent and longstanding complaint among taxpayers has been that appraisal review boards, which are intended to be independent quasi-judicial boards that hear and determine taxpayer protests, do not act independently from appraisal districts, leaving taxpayers protesting the appraisal of their property on unequal footing in hearings before the boards. Among other provisions, C.S.H.B. 3012 seeks to address this complaint by keeping the appointment of appraisal review board members free from influence by county appraisal districts.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 3012 amends the Tax Code to prohibit an appraisal review board commissioner from serving as a member of the appraisal review board. The bill makes an individual who has served for all or part of three previous terms on an appraisal review board to which members are appointed by a local administrative district judge ineligible to serve on the board. The bill makes it an offense for a chief appraiser or another appraisal district employee or agent, a member of either the appraisal district's appraisal review board or the district's board of directors, a property tax consultant, or a property owner's agent to communicate with an appraisal review board commissioner regarding the appointment of appraisal review board commissioners in the same manner that such a person commits an offense if the person communicates with the local administrative district judge regarding such appointments. The bill establishes that the changes regarding service on an appraisal review board do not affect the right of a person serving on such a board on the bill's effective date to complete the person's term on the board.

C.S.H.B. 3012 prohibits an appraisal review board from taking formal action at a meeting unless a quorum of board members is present. The bill changes the entity required to select the chairman and the secretary of an appraisal review board from the board of directors of the appraisal district to the appraisal review board itself and specifies that a resolution to select a chairman and a secretary is to be adopted by majority vote. The bill prohibits an appraisal review board from scheduling a hearing on a protest on a Sunday.

EFFECTIVE DATE

September 1, 2015.

84R 28456

15.127.272

Substitute Document Number: 84R 24952

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 3012 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED

SECTION 1. Section 1.07(d), Tax Code, is amended to read as follows:

(d) A notice required by Section 11.43(c), (h), or (q), 11.45(d), 23.44(d), 23.46(c), 23.54(e), 23.541(c), 23.55(e), 23.57(d), 23.76(e), 23.79(d), or 23.85(d) must be sent by certified mail.

SECTION 2. Section 6.41, Tax Code, is amended by amending Subsections (d-1), (d-6), and (i) and adding Subsection (d-10) to read as follows:

(d-1) In a county with a population of 120,000 or more the members of the board, including auxiliary board members, are appointed by the local administrative district judge under Subchapter D, Chapter 74, Government Code, in the county in which the appraisal district is established. All applications submitted to the appraisal district or to the appraisal review board from persons seeking appointment as a member of the appraisal review board shall be delivered to the local administrative district judge. The appraisal district may provide the local administrative district judge with information regarding whether an applicant for appointment to or a member of the board owes any delinquent ad valorem taxes to a taxing unit participating in the appraisal district.

(d-6) An appraisal review board commissioner may ~~is~~ not serve ~~[disqualified from serving]~~ as a member of the appraisal review board.

(d-10) An individual appointed to the appraisal review board under Subsection (d-1) who has served for all or part of three consecutive terms is ineligible to serve on the board during the term that begins on the next January 1 following the third of those three consecutive terms.

(i) This subsection applies only to an appraisal district described by Subsection (d-1). A chief appraiser or another employee or agent of the appraisal district, a member of the appraisal review board for the appraisal district, a member of the board of

HOUSE COMMITTEE SUBSTITUTE

No equivalent provision.

SECTION 1. Section 6.41, Tax Code, is amended by amending Subsections (d-1), (d-6), and (i) and adding Subsection (d-10) to read as follows:

(d-1) In a county with a population of 120,000 or more the members of the board, including auxiliary board members, are appointed by the local administrative district judge under Subchapter D, Chapter 74, Government Code, in the county in which the appraisal district is established. All applications submitted to the appraisal district or to the appraisal review board from persons seeking appointment as a member of the appraisal review board shall be delivered to the local administrative district judge. The appraisal district may provide the local administrative district judge with information regarding whether an applicant for appointment to or a member of the board owes any delinquent ad valorem taxes to a taxing unit participating in the appraisal district.

(d-6) An appraisal review board commissioner may ~~is~~ not serve ~~[disqualified from serving]~~ as a member of the appraisal review board.

(d-10) An individual is ineligible to serve on an appraisal review board described by Subsection (d-1) if the individual has served on the board for all or part of three previous terms.

(i) This subsection applies only to an appraisal district described by Subsection (d-1). A chief appraiser or another employee or agent of the appraisal district, a member of the appraisal review board for the appraisal district, a member of the board of

directors of the appraisal district, a property tax consultant, or an agent of a property owner commits an offense if the person communicates with the local administrative district judge or an appraisal review board commissioner regarding the appointment of appraisal review board members. This subsection does not apply to:

- (1) a communication between a member of the appraisal review board and the local administrative district judge regarding the member's reappointment to the board;
- (2) a communication between the taxpayer liaison officer for the appraisal district and the local administrative district judge in the course of the performance of the officer's clerical duties so long as the officer does not offer an opinion or comment regarding the appointment of appraisal review board members; or
- (3) a communication between a chief appraiser or another employee or agent of the appraisal district, a member of the appraisal review board for the appraisal district, or a member of the board of directors of the appraisal district and the local administrative district judge regarding information described by Subsection (d-1) of this section or Section 411.1296, Government Code.

SECTION 3. Sections 6.42(a) and (b), Tax Code, are amended to read as follows:

(a) A majority of the appraisal review board constitutes a quorum. The board may not take formal action at a meeting unless a quorum of board members is present. The board ~~of directors of the appraisal district~~ by resolution adopted by majority vote shall select a chairman and a secretary from among ~~the members of the appraisal review board.~~ The board of directors of the appraisal district is encouraged to select as chairman of the appraisal review board a member of the appraisal review board, if any, who has a background in law and property appraisal.

(b) ~~The board may meet at any time at the call of the chairman or as provided by rule of the board, except that the board may not schedule a meeting on a Sunday.~~ The board shall meet to examine the appraisal records within 10 days after the date the chief appraiser submits the records to the board.

directors of the appraisal district, a property tax consultant, or an agent of a property owner commits an offense if the person communicates with the local administrative district judge or an appraisal review board commissioner regarding the appointment of appraisal review board members. This subsection does not apply to:

- (1) a communication between a member of the appraisal review board and the local administrative district judge regarding the member's reappointment to the board;
- (2) a communication between the taxpayer liaison officer for the appraisal district and the local administrative district judge in the course of the performance of the officer's clerical duties so long as the officer does not offer an opinion or comment regarding the appointment of appraisal review board members; or
- (3) a communication between a chief appraiser or another employee or agent of the appraisal district, a member of the appraisal review board for the appraisal district, or a member of the board of directors of the appraisal district and the local administrative district judge regarding information described by Subsection (d-1) of this section or Section 411.1296, Government Code.

SECTION 2. Section 6.42(a), Tax Code, is amended to read as follows:

(a) A majority of the appraisal review board constitutes a quorum. The board may not take formal action at a meeting unless a quorum of board members is present. The board ~~[of directors of the appraisal district]~~ by resolution adopted by majority vote shall select a chairman and a secretary from among ~~its [the] members [of the appraisal review board].~~ The board ~~[of directors of the appraisal district]~~ is encouraged to select as chairman of the ~~[appraisal review]~~ board a member of the ~~[appraisal review]~~ board, if any, who has a background in law and property appraisal.

SECTION 4. Section 11.43, Tax Code, is amended by amending Subsections (c) and (h) and adding Subsection (q) to read as follows:

No equivalent provision.

(c) An exemption provided by Section 11.13, 11.131, 11.132, 11.17, 11.18, 11.182, 11.1827, 11.183, 11.19, 11.20, 11.21, 11.22, 11.23(h), (j), or (j-1), 11.231, 11.254, 11.271, 11.29, 11.30, 11.31, or 11.315, once allowed, need not be claimed in subsequent years, and except as otherwise provided by Subsection (e), the exemption applies to the property until it changes ownership or the person's qualification for the exemption changes. However, the chief appraiser may require a person allowed one of the exemptions in a prior year to file a new application to confirm the person's current qualification for the exemption by delivering a written notice that a new application is required, accompanied by an appropriate application form, to the person previously allowed the exemption or, if that person has designated an agent under Section 1.111, to the designated agent.

(h) If the chief appraiser learns of any reason indicating that an exemption previously allowed should be canceled, the chief appraiser [he] shall investigate. If the chief appraiser [he] determines that the property should not be exempt, the chief appraiser [he] shall cancel the exemption and deliver written notice of the cancellation within five days after the date on which the exemption is canceled to the person previously allowed the exemption or, if that person has designated an agent under Section 1.111, to the designated agent [he makes the cancellation].

(q) If the chief appraiser denies an applicant's application for an exemption, the chief appraiser shall deliver written notice of the denial within five days after the date on which the application is denied to the applicant or, if the applicant has designated an agent under Section 1.111, to the designated agent.

SECTION 5. Section 23.54(e), Tax Code, is amended to read as follows:

No equivalent provision.

(e) If a person fails to file a valid application on time, the land is ineligible for appraisal as provided by this subchapter for that year. Once an application is filed and appraisal under this subchapter is allowed, the land is eligible for appraisal under this subchapter

in subsequent years without a new application unless the ownership of the land changes or its eligibility under this subchapter ends. However, if the chief appraiser [if he] has good cause to believe that land is no longer eligible for appraisal [the land's eligibility] under this subchapter [has ended], the chief appraiser may require a person allowed appraisal under this subchapter in a prior year to file a new application to confirm that the land is currently eligible for appraisal under this subchapter by delivering a written notice that a new application is required, accompanied by the application form, to the person who filed the application that was previously allowed or, if that person has designated an agent under Section 1.111, to the designated agent.

SECTION 6. Section 23.55(e), Tax Code, is amended to read as follows:

(e) A determination that a change in use of the land has occurred is made by the chief appraiser. The chief appraiser shall deliver a notice of the determination to the owner of the land or, if the owner has designated an agent under Section 1.111, to the designated agent, as soon as possible after making the determination and shall include in the notice an explanation of the owner's right to protest the determination. If the owner does not file a timely protest or if the final determination of the protest is that the additional taxes are due, the assessor for each taxing unit shall prepare and deliver a bill for the additional taxes plus interest as soon as practicable. The taxes and interest are due and become delinquent and incur penalties and interest as provided by law for ad valorem taxes imposed by the taxing unit if not paid before the next February 1 that is at least 20 days after the date the bill is delivered to the owner of the land.

No equivalent provision.

SECTION 7. The changes made to Section 6.41, Tax Code, by this Act do not affect the

No equivalent provision.

SECTION 3. Section 41.71, Tax Code, is amended to read as follows:

Sec. 41.71. EVENING AND WEEKEND HEARINGS. An appraisal review board by rule shall provide for hearings on protests in the evening or on a Saturday ~~[or Sunday]~~. The board may not schedule a hearing on a protest on a Sunday.

SECTION 4. Substantially the same as introduced version.

right of a person serving on the appraisal review board of an appraisal district on the effective date of this Act to complete the person's term on the board.

SECTION 8. The change in law made by this Act applies only to an action taken by a chief appraiser to cancel or deny an exemption from ad valorem taxation or to a determination made by a chief appraiser that land is no longer eligible for appraisal under Subchapter D, Chapter 23, Tax Code, on or after the effective date of this Act. An action taken or a determination made by a chief appraiser before the effective date of this Act is governed by the law in effect when the action was taken or the determination was made, and the former law is continued in effect for that purpose.

No equivalent provision.

SECTION 9. This Act takes effect September 1, 2015.

No equivalent provision.

SECTION 5. The change in law made by this Act to Section 41.71, Tax Code, applies only to a hearing on a protest under Chapter 41, Tax Code, that is scheduled on or after the effective date of this Act. A hearing on a protest under Chapter 41, Tax Code, that is scheduled before the effective date of this Act is governed by the law in effect on the date the hearing was scheduled, and that law is continued in effect for that purpose.

SECTION 6. Same as introduced version.