

By: Elkins

H.B. No. 3125

A BILL TO BE ENTITLED

AN ACT

relating to abolishing the property tax assistance division of the office of the comptroller of public accounts and transferring its powers and duties to the newly created State Property Tax Board.

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

ARTICLE 1. ESTABLISHING THE STATE PROPERTY TAX BOARD

SECTION 1.01. Chapter 5, Tax Code, is amended by designating Sections 5.03 through 5.16 as Subchapter A and adding a subchapter heading to read as follows:

SUBCHAPTER A. STATE PROPERTY TAX BOARD

SECTION 1.02. Subchapter A, Chapter 5, Tax Code, as added by this Act, is amended by adding Sections 5.01, 5.02, 5.021, 5.022, and 5.023 to read as follows:

Sec. 5.01. DEFINITION. In this chapter, "board" means the State Property Tax Board.

Sec. 5.02. STATE PROPERTY TAX BOARD. (a) The State Property Tax Board is established. The board consists of seven members appointed by the governor with the advice and consent of the senate. In making the appointments, the governor, to the extent practicable, shall select persons so that each geographical area of the state is represented. A vacancy on the board is filled in the same manner for the unexpired portion of the term.

(b) Members of the board hold office for terms of six years, with the terms of two or three members expiring on March 1 of each

1 odd-numbered year.

2 (c) To be eligible to serve on the board, a person must have
3 been a resident of this state for at least 10 years.

4 (d) At least two members must be either registered with the
5 Texas Department of Licensing and Regulation under Chapter 1151 or
6 1152, Occupations Code, or an elected county assessor-collector.

7 (e) A majority of the board constitutes a quorum.

8 (f) The governor shall designate one of the members of the
9 board to serve as chair for a term, in that capacity, of two years
10 expiring on March 1 of each odd-numbered year.

11 (g) The board shall maintain a principal office in Austin.

12 (h) The board shall meet at least once in each calendar
13 quarter and may meet at other times at the call of the chair or as
14 provided by the rules of the board.

15 (i) A member of the board may not receive compensation for
16 service on the board but is entitled to reimbursement for actual and
17 necessary expenses, as provided by legislative appropriation,
18 incurred while on travel status in the performance of official
19 duties.

20 Sec. 5.021. BOARD PERSONNEL. (a) The board shall employ an
21 executive director who shall administer board operations as
22 directed by the board.

23 (b) The executive director may employ professional,
24 clerical, and other personnel to assist in administering board
25 operations.

26 Sec. 5.022. GROUNDS FOR REMOVAL OF BOARD MEMBERS. (a) It
27 is a ground for removal from the board if a member:

1 (1) does not have at the time of appointment the
2 qualifications required under Section 5.02;

3 (2) does not maintain during service on the board the
4 qualifications and other eligibility conditions required by
5 Section 5.02;

6 (3) violates a prohibition described by Section 5.023;

7 (4) cannot discharge the member's duties for a
8 substantial part of the term for which the member is appointed
9 because of illness or disability; or

10 (5) is absent from more than half of the regularly
11 scheduled board meetings that the member is eligible to attend
12 during a calendar year unless the absence is excused by a majority
13 vote of the board.

14 (b) The validity of an action of the board is not affected by
15 the fact that it is taken when a ground for removal of a board member
16 exists.

17 (c) If the executive director has knowledge that a potential
18 ground for removal exists, the executive director shall notify the
19 chair of the ground. The chair shall then notify the governor that
20 a potential ground for removal exists. If the member about which
21 the executive director has knowledge that a potential ground for
22 removal exists is the chair, the executive director shall notify
23 two other board members of the ground, and those members shall then
24 notify the governor that a potential ground for removal exists.

25 Sec. 5.023. RESTRICTIONS ON BOARD MEMBERSHIP AND
26 EMPLOYMENT. (a) An officer, employee, or paid consultant of a
27 Texas trade association in the field of property taxation may not be

1 a member of the board or be an employee of the board who is exempt
2 from the state's position classification plan or is compensated at
3 or above the amount prescribed by the General Appropriations Act
4 for step 1, salary group 17, of the position classification salary
5 schedule.

6 (b) A person who is the spouse of an officer, manager, or
7 paid consultant of a Texas trade association in the field of
8 property taxation may not be a member of the board or be an employee
9 of the board who is exempt from the state's position classification
10 plan or is compensated at or above the amount prescribed by the
11 General Appropriations Act for step 1, salary group 17, of the
12 position classification salary schedule.

13 (c) A person may not serve as a member of the board or act as
14 the general counsel to the board if the person is required to
15 register as a lobbyist under Chapter 305, Government Code, because
16 of the person's activities for compensation on behalf of a
17 profession related to the operation of the board.

18 (d) In this section, "Texas trade association" means a
19 nonprofit, cooperative, and voluntarily joined association of
20 business or professional competitors in this state designed to
21 assist its members and its industry or profession in dealing with
22 mutual business or professional problems and in promoting their
23 common interest.

24 SECTION 1.03. Section 5.03, Tax Code, is amended to read as
25 follows:

26 Sec. 5.03. POWERS AND DUTIES GENERALLY. (a) The board
27 [~~comptroller~~] shall adopt rules establishing minimum standards for

1 the administration and operation of an appraisal district. The
2 minimum standards may vary according to the number of parcels and
3 the kinds of property the district is responsible for appraising.

4 (b) The board [~~comptroller~~] may require from each district
5 engaged in appraising property for taxation an annual report on a
6 form prescribed by the board [~~comptroller~~] on the administration
7 and operation of the appraisal office.

8 (c) The board [~~comptroller~~] may contract with consultants
9 to assist in performance of the duties imposed by this chapter.

10 SECTION 1.04. Section 5.04(a), Tax Code, is amended to read
11 as follows:

12 (a) The board [~~comptroller~~] shall enter into a memorandum of
13 understanding with the Texas Department of Licensing and Regulation
14 or any successor agency responsible for certifying tax
15 professionals in this state in setting standards for and approving
16 curricula and materials for use in training and educating
17 appraisers and assessor-collectors, and the board [~~comptroller~~]
18 may contract or enter into a memorandum of understanding with other
19 public agencies, educational institutions, or private
20 organizations in sponsoring courses of instruction and training
21 programs.

22 SECTION 1.05. Sections 5.041(a), (b), (b-1), (c), (d),
23 (e-1), (e-2), (e-3), and (f), Tax Code, are amended to read as
24 follows:

25 (a) The board [~~comptroller~~] shall:

26 (1) approve curricula and provide materials for use in
27 training and educating members of an appraisal review board;

1 (2) supervise a comprehensive course for training and
2 education of appraisal review board members and issue certificates
3 indicating course completion;

4 (3) make all materials for use in training and
5 educating members of an appraisal review board freely available
6 online;

7 (4) establish and maintain a toll-free telephone
8 number that appraisal review board members may call for answers to
9 technical questions relating to the duties and responsibilities of
10 appraisal review board members and property appraisal issues; and

11 (5) provide, as feasible, online technological
12 assistance to improve the operations of appraisal review boards and
13 appraisal districts.

14 (b) A member of the appraisal review board established for
15 an appraisal district must complete the course established under
16 Subsection (a). A member of the appraisal review board may not
17 participate in a hearing conducted by the appraisal review board
18 unless the person has completed the course established under
19 Subsection (a) and received a certificate of course completion.

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

25 (c) The board [~~comptroller~~] may contract with service
26 providers to assist with the duties imposed under Subsection (a),
27 but the course required may not be provided by an appraisal

1 district, the chief appraiser or another employee of an appraisal
2 district, a member of the board of directors of an appraisal
3 district, a member of an appraisal review board, or a taxing unit.
4 The board [~~comptroller~~] may assess a fee to recover a portion of the
5 costs incurred for the training course, but the fee may not exceed
6 \$50 per person trained.

7 (d) The course material for the course required under
8 Subsection (a) is the State Property Tax Board's [~~comptroller's~~]
9 Appraisal Review Board Manual [~~in use on the effective date of this~~
10 ~~section~~]. The manual shall be updated regularly. It may be revised
11 on request, in writing, to the board [~~comptroller~~]. The revision
12 language must be approved on the unanimous agreement of a committee
13 selected by the board [~~comptroller~~] and representing, equally,
14 taxpayers and chief appraisers. The person requesting the revision
15 shall pay the costs of mediation if the board [~~comptroller~~]
16 determines that mediation is required.

17 (e-1) In addition to the course established under
18 Subsection (a), the board [~~comptroller~~] shall approve curricula and
19 provide materials for use in a continuing education course for
20 members of an appraisal review board. The curricula and materials
21 must include information regarding:

22 (1) the cost, income, and market data comparison
23 methods of appraising property;

24 (2) the appraisal of business personal property;

25 (3) the determination of capitalization rates for
26 property appraisal purposes;

27 (4) the duties of an appraisal review board;

1 (5) the requirements regarding the independence of an
2 appraisal review board from the board of directors and the chief
3 appraiser and other employees of the appraisal district;

4 (6) the prohibitions against ex parte communications
5 applicable to appraisal review board members;

6 (7) the Uniform Standards of Professional Appraisal
7 Practice;

8 (8) the duty of the appraisal district to substantiate
9 the district's determination of the value of property;

10 (9) the requirements regarding the equal and uniform
11 appraisal of property;

12 (10) the right of a property owner to protest the
13 appraisal of the property as provided by Chapter 41; and

14 (11) a detailed explanation of each of the actions
15 described by Sections 25.25, 41.41(a), 41.411, 41.412, 41.413,
16 41.42, and 41.43 so that members are fully aware of each of the
17 grounds on which a property appraisal can be appealed.

18 (e-2) During the second year of an appraisal review board
19 member's term of office, the member must successfully complete the
20 course established under Subsection (e-1). At the conclusion of
21 the course, the member must complete a statement described by
22 Subsection (b-1). A person may not participate in a hearing
23 conducted by the appraisal review board, vote on a determination of
24 a protest, or be reappointed to an additional term on the appraisal
25 review board until the person has completed the course established
26 under Subsection (e-1) and has received a certificate of course
27 completion. If the person is reappointed to an additional term on

1 the appraisal review board, the person must successfully complete
2 the course established under Subsection (e-1) and comply with the
3 other requirements of this subsection in each year the member
4 continues to serve.

5 (e-3) The board [~~comptroller~~] may contract with service
6 providers to assist with the duties imposed under Subsection (e-1),
7 but the course required by that subsection may not be provided by an
8 appraisal district, the chief appraiser or another employee of an
9 appraisal district, a member of the board of directors of an
10 appraisal district, a member of an appraisal review board, or a
11 taxing unit. The board [~~comptroller~~] may assess a fee to recover a
12 portion of the costs incurred for the continuing education course,
13 but the fee may not exceed \$50 for each person trained.

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

23 SECTION 1.06. Sections 5.05(a), (b), and (c), Tax Code, are
24 amended to read as follows:

25 (a) The board [~~comptroller~~] may prepare and issue
26 publications relating to the appraisal of property and the
27 administration of taxes, or may approve other publications relating

1 to those matters, including materials published by The Appraisal
2 Foundation, the International Association of Assessing Officers,
3 or other professionally recognized organizations, for use in the
4 administration of property taxes, including:

- 5 (1) a general appraisal manual;
- 6 (2) special appraisal manuals as authorized by law;
- 7 (3) cost, price, and depreciation schedules as
8 authorized by law, with provision for inserting local market index
9 factors and with a standard procedure for determining local market
10 index factors;
- 11 (4) periodic news and reference bulletins;
- 12 (5) ~~an~~ annotated digests of all laws relating to
13 property taxation ~~[version of this title and Title 3]~~; and
- 14 (6) a handbook of ~~[containing selected laws and]~~ all
15 rules promulgated by the board ~~[comptroller]~~ relating to the
16 property tax and its administration.

17 (b) The board ~~[comptroller]~~ shall revise or supplement all
18 materials issued by the board ~~[comptroller]~~ or approve other
19 publications periodically as necessary to keep them current.

20 (c) The board ~~[comptroller]~~ shall electronically publish
21 all materials under this section for administering the property tax
22 system. The board ~~[comptroller]~~ shall make the materials available
23 to local governmental officials and members of the public but may
24 charge a reasonable fee to offset the costs of preparing, printing,
25 and distributing the materials.

26 SECTION 1.07. Sections 5.06, 5.07, 5.08, 5.09, 5.10, 5.102,
27 5.103, 5.12, 5.13, 5.14, and 5.16, Tax Code, are amended to read as

1 follows:

2 Sec. 5.06. EXPLANATION OF TAXPAYER REMEDIES. The board
3 [~~comptroller~~] shall prepare and electronically publish a pamphlet
4 explaining the remedies available to dissatisfied taxpayers and the
5 procedures to be followed in seeking remedial action. The board
6 [~~comptroller~~] shall include in the pamphlet advice on preparing and
7 presenting a protest.

8 Sec. 5.07. PROPERTY TAX FORMS AND RECORDS SYSTEMS. (a) The
9 board [~~comptroller~~] shall prescribe the contents of all forms
10 necessary for the administration of the property tax system and on
11 request shall furnish sufficient copies of model forms of each type
12 to the appropriate local officials. The board [~~comptroller~~] may
13 require reimbursement for the costs of printing and distributing
14 the forms.

15 (b) The board [~~comptroller~~] shall make the contents of the
16 forms uniform to the extent practicable but may prescribe or
17 approve additional or substitute forms for special circumstances.

18 (c) The board [~~comptroller~~] shall also prescribe a uniform
19 record system to be used by all appraisal districts for the purpose
20 of submitting data to be used in the studies required by Sections
21 [~~Section~~] 5.10 [~~of this code~~] and 5.23 [~~by Section 403.302,~~
22 ~~Government Code~~]. The record system shall include a compilation of
23 information concerning sales of real property within the boundaries
24 of the appraisal district. The sales information maintained in the
25 uniform record system shall be submitted annually in a form
26 prescribed by the board [~~comptroller~~].

27 Sec. 5.08. PROFESSIONAL AND TECHNICAL ASSISTANCE. (a) The

1 board [~~comptroller~~] may provide professional and technical
2 assistance on request in appraising property, installing or
3 updating tax maps, purchasing equipment, developing recordkeeping
4 systems, or performing other appraisal activities. The board
5 [~~comptroller~~] may also provide professional and technical
6 assistance on request to an appraisal review board. The board
7 [~~comptroller~~] may require reimbursement for the costs of providing
8 the assistance.

9 (b) The board [~~comptroller~~] may provide information to and
10 consult with persons actively engaged in appraising property for
11 tax purposes about any matter relating to property taxation without
12 charge.

13 Sec. 5.09. BIENNIAL REPORTS. (a) The board [~~comptroller~~]
14 shall prepare a biennial report of its operations and the
15 operations of the appraisal districts of this state. The report
16 shall include the total appraised values and taxable values of
17 taxable property by category and the tax rates of each county,
18 municipality, and school district in effect for the two years
19 preceding the year in which the report is prepared.

20 (b) Not later than December 31 of each even-numbered year,
21 the board [~~comptroller~~] shall:

22 (1) electronically publish on the board's
23 [~~comptroller's~~] Internet website the report required by Subsection
24 (a); and

25 (2) notify the governor, the lieutenant governor, and
26 each member of the legislature that the report is available on the
27 website.

1 Sec. 5.10. RATIO STUDIES. (a) At least once every two
2 years, the board [~~comptroller~~] shall conduct a study in each
3 appraisal district to determine the degree of uniformity of and the
4 median level of appraisals by the appraisal district within each
5 major category of property. The board [~~comptroller~~] shall publish
6 a report of the findings of the study, including in the report the
7 median levels of appraisal for each major category of property, the
8 coefficient of dispersion around the median level of appraisal for
9 each major category of property, and any other standard statistical
10 measures that the board [~~comptroller~~] considers appropriate. In
11 conducting the study, the board [~~comptroller~~] shall apply
12 appropriate standard statistical analysis techniques to data
13 collected as part of the study of school district taxable values
14 required by Section 5.23 [~~403.302, Government Code~~].

15 (b) The published findings of a ratio study conducted by the
16 board [~~comptroller~~] shall be distributed to all members of the
17 legislature and to all appraisal districts.

18 (c) In conducting a study under this section, the board
19 [~~comptroller~~] or the board's [~~comptroller's~~] authorized
20 representative may enter the premises of a business, trade, or
21 profession and inspect the property to determine the existence and
22 market value of property used for the production of income. An
23 inspection under this subsection must be made during normal
24 business hours or at a time mutually agreeable to the board
25 [~~comptroller~~] or the board's [~~comptroller's~~] authorized
26 representative and the person in control of the premises.

27 Sec. 5.102. REVIEW OF APPRAISAL DISTRICTS. (a) At least

1 once every two years, the board [~~comptroller~~] shall review the
2 governance of each appraisal district, taxpayer assistance
3 provided, and the operating and appraisal standards, procedures,
4 and methodology used by each appraisal district, to determine
5 compliance with generally accepted standards, procedures, and
6 methodology. After consultation with the advisory committee
7 created under Section 5.23 [~~403.302, Government Code~~], the board
8 [~~comptroller~~] by rule may establish procedures and standards for
9 conducting and scoring the review.

10 (b) In conducting the review, the board [~~comptroller~~] is
11 entitled to access to all records and reports of the appraisal
12 district, to copy or print any record or report of the appraisal
13 district, and to the assistance of the appraisal district's
14 officers and employees.

15 (c) At the conclusion of the review, the board [~~comptroller~~]
16 shall, in writing, notify the appraisal district concerning its
17 performance in the review. If the review results in a finding that
18 an appraisal district is not in compliance with generally accepted
19 standards, procedures, and methodology, the board [~~comptroller~~]
20 shall deliver a report that details the board's [~~comptroller's~~]
21 findings and recommendations for improvement to:

22 (1) the appraisal district's chief appraiser and board
23 of directors; and

24 (2) the superintendent and board of trustees of each
25 school district participating in the appraisal district.

26 (d) If the appraisal district fails to comply with the
27 recommendations in the report and the board [~~comptroller~~] finds

1 that the board of directors of the appraisal district failed to take
2 remedial action reasonably designed to ensure substantial
3 compliance with each recommendation in the report before the first
4 anniversary of the date the report was issued, the board
5 [~~comptroller~~] shall notify the department [~~Board of Tax~~
6 ~~Professional Examiners, or a successor to the board~~], which shall
7 take action necessary to ensure that the recommendations in the
8 report are implemented as soon as practicable.

9 (e) Before February 1 of the year following the year in
10 which the department [~~Board of Tax Professional Examiners, or its~~
11 ~~successor,~~] takes action under Subsection (d), and with the
12 assistance of the board [~~comptroller~~], the department [~~board~~] shall
13 determine whether the recommendations in the most recent report
14 have been substantially implemented. The executive director of the
15 department [~~presiding officer of the board~~] shall notify the chief
16 appraiser and the board of directors of the appraisal district in
17 writing of the department's [~~board's~~] determination.

18 (f) In this section, "department" means the Texas
19 Department of Licensing and Regulation.

20 Sec. 5.103. APPRAISAL REVIEW BOARD OVERSIGHT. (a) The
21 board [~~comptroller~~] shall prepare model hearing procedures for
22 appraisal review boards.

23 (b) The model hearing procedures shall address:

- 24 (1) the statutory duties of an appraisal review board;
25 (2) the process for conducting a hearing;
26 (3) the scheduling of hearings;
27 (4) the postponement of hearings;

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

22 (c) The board [~~controller~~] may:

23 (1) categorize appraisal districts based on the size

24 of the district, the number of protests filed in the district, or

25 similar characteristics; and

26 (2) develop different model hearing procedures for

27 different categories of districts.

1 (d) An appraisal review board shall follow the model hearing
2 procedures prepared by the board [~~comptroller~~] when establishing
3 its procedures for hearings as required by Section 41.66(a).

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

21 (f) The board [~~comptroller~~] shall issue an annual report
22 summarizing the survey forms submitted by property owners
23 concerning each appraisal review board. The report may not
24 disclose the identity of a person who submits a survey form.

25 Sec. 5.12. PERFORMANCE AUDIT OF APPRAISAL DISTRICT. (a)
26 The board [~~comptroller~~] shall audit the performance of an appraisal
27 district if one or more of the following conditions exist according

1 to each of two consecutive studies conducted by the board
2 [~~comptroller~~] under Section 5.10, regardless of whether the
3 prescribed condition or conditions that exist are the same for each
4 of those studies:

5 (1) the overall median level of appraisal for all
6 property in the district for which the board [~~comptroller~~]
7 determines a median level of appraisal is less than 0.75;

8 (2) the coefficient of dispersion around the overall
9 median level of appraisal of the properties used to determine the
10 overall median level of appraisal for all property in the district
11 for which the board [~~comptroller~~] determines a median level of
12 appraisal exceeds 0.30; or

13 (3) the difference between the median levels of
14 appraisal for any two classes of property in the district for which
15 the board [~~comptroller~~] determines a median level of appraisal is
16 more than 0.45.

17 (b) At the written request of the governing bodies of a
18 majority of the taxing units participating in an appraisal district
19 or of a majority of the taxing units entitled to vote on the
20 appointment of appraisal district directors, the board
21 [~~comptroller~~] shall audit the performance of the appraisal
22 district. The governing bodies may request a general audit of the
23 performance of the appraisal district or may request an audit of
24 only one or more particular duties, practices, functions,
25 departments, or other appraisal district matters.

26 (c) At the written request of the owners of not less than 10
27 percent of the number of accounts or parcels of property in an

1 appraisal district belonging to a single class of property, if the
2 class constitutes at least five percent of the appraised value of
3 taxable property within the district in the preceding year, or at
4 the written request of the owners of property representing not less
5 than 10 percent of the appraised value of all property in the
6 district belonging to a single class of property, if the class
7 constitutes at least five percent of the appraised value of taxable
8 property in the district in the preceding year, the board
9 [~~comptroller~~] shall audit the performance of the appraisal
10 district. The property owners may request a general audit of the
11 performance of the appraisal district or may request an audit of
12 only one or more particular duties, practices, functions,
13 departments, or other appraisal district matters. A property owner
14 may authorize an agent to sign a request for an audit under this
15 subsection on the property owner's behalf. The board [~~comptroller~~]
16 may require a person signing a request for an audit to provide proof
17 that the person is entitled to sign the request as a property owner
18 or as the agent of a property owner.

19 (d) A request for a performance audit of an appraisal
20 district may not be made under Subsection (b) or (c) if according to
21 each of the two most recently published studies conducted by the
22 board [~~comptroller~~] under Section 5.10:

23 (1) the overall median level of appraisal for all
24 property in the district for which the board [~~comptroller~~]
25 determines a median level of appraisal is more than 0.90 and less
26 than 1.10;

27 (2) the coefficient of dispersion around the overall

1 median level of appraisal of the properties used to determine the
2 overall median level of appraisal for all property in the district
3 for which the board [~~comptroller~~] determines a median level of
4 appraisal is less than 0.15; and

5 (3) the difference between the highest and lowest
6 median levels of appraisal in the district for the classes of
7 property for which the board [~~comptroller~~] determines a median
8 level of appraisal is less than 0.20.

9 (e) A request for a performance audit of an appraisal
10 district may not be made under Subsection (b) or (c):

11 (1) during the two years immediately following the
12 publication of the second of two consecutive studies according to
13 which the board [~~comptroller~~] is required to conduct an audit of the
14 district under Subsection (a);

15 (2) during the year immediately following the date the
16 results of an audit of the district conducted by the board
17 [~~comptroller~~] under Subsection (a) are reported to the chief
18 appraiser of the district; or

19 (3) during a year in which the board [~~comptroller~~] is
20 conducting a review of the district under Section 5.102.

21 (f) For purposes of this section, "class of property" means
22 a major kind of property for which the board [~~comptroller~~]
23 determines a median level of appraisal under Section 5.10 [~~of this~~
24 ~~code~~].

25 (h) In addition to the performance audits required by
26 Subsections (a), (b), and (c) and the review of appraisal standards
27 required by Section 5.102, the board [~~comptroller~~] may audit an

1 appraisal district to analyze the effectiveness and efficiency of
2 the policies, management, and operations of the appraisal district.
3 The results of the audit shall be delivered in a report that details
4 the board's [~~comptroller's~~] findings and recommendations for
5 improvement to the appraisal district's chief appraiser and board
6 of directors and the governing body of each taxing unit
7 participating in the appraisal district. The board [~~comptroller~~]
8 may require reimbursement by the appraisal district for some or all
9 of the costs of the audit, not to exceed the actual costs associated
10 with conducting the audit.

11 Sec. 5.13. ADMINISTRATION OF PERFORMANCE AUDITS. (a) The
12 board [~~comptroller~~] shall complete an audit required by Section
13 5.12(a) within two years after the date of the publication of the
14 second of the two studies the results of which required the audit to
15 be conducted. The board [~~comptroller~~] shall complete an audit
16 requested under Section 5.12(b) or (c) as soon as practicable after
17 the request is made.

18 (b) The board [~~comptroller~~] may not audit the financial
19 condition of an appraisal district or a district's tax collections.
20 If the request is for an audit limited to one or more particular
21 matters, the board's [~~comptroller's~~] audit must be limited to those
22 matters.

23 (c) The board [~~comptroller~~] must approve the specific plan
24 for the performance audit of an appraisal district. Before
25 approving an audit plan, the board [~~comptroller~~] must provide any
26 interested person an opportunity to appear before the board
27 [~~comptroller~~] and to comment on the proposed plan. Not later than

1 the 20th day before the date the board [~~comptroller~~] considers the
2 plan for an appraisal district performance audit, the board
3 [~~comptroller~~] must notify the presiding officer of the appraisal
4 district board of directors that the board [~~comptroller~~] intends to
5 consider the plan. The notice must include the time, date, and place
6 of the meeting to consider the plan. Immediately after receiving
7 the notice, the presiding officer shall deliver a copy of the notice
8 to the other members of the appraisal district board of directors.

9 (d) In conducting a general audit, the board [~~comptroller~~]
10 shall consider and report on:

11 (1) the extent to which the district complies with
12 applicable law or generally accepted standards of appraisal or
13 other relevant practice;

14 (2) the uniformity and level of appraisal of major
15 kinds of property and the cause of any significant deviations from
16 ideal uniformity and equality of appraisal of major kinds of
17 property;

18 (3) duplication of effort and efficiency of operation;

19 (4) the general efficiency, quality of service, and
20 qualification of appraisal district personnel; and

21 (5) except as otherwise provided by Subsection (b) of
22 this section, any other matter included in the request for the
23 audit.

24 (e) In conducting the audit, the board [~~comptroller~~] is
25 entitled to have access at all times to the books, appraisal and
26 other records, reports, vouchers, and other information, whether
27 confidential or not, of the appraisal district. The board

1 ~~[comptroller]~~ may require the assistance of appraisal district
2 officers or employees that does not interfere significantly with
3 the ordinary functions of the appraisal district. The board
4 ~~[comptroller]~~ may rely on any analysis it has made previously
5 relating to the appraisal district if the previous analysis is
6 useful or relevant to the audit.

7 (f) The board ~~[comptroller]~~ shall report the results of its
8 audit in writing to the governing body of each taxing unit that
9 participates in the appraisal district, to the chief appraiser, and
10 to the presiding officer of the appraisal district board of
11 directors. If the audit was requested under Section 5.12(c) ~~[of~~
12 ~~this code]~~, the board ~~[comptroller]~~ shall also provide a report to a
13 representative of the property owners who requested the audit.

14 (g) If the audit is required or requested under Section
15 5.12(a) or (b) ~~[of this code]~~, the appraisal district shall
16 reimburse the board ~~[comptroller]~~ for the costs incurred in
17 conducting the audit and making its report of the audit. The costs
18 shall be allocated among the taxing units participating in the
19 district in the same manner as an operating expense of the district.
20 If the audit is requested under Section 5.12(c) ~~[of this code]~~, the
21 property owners who requested the audit shall reimburse the board
22 ~~[comptroller]~~ for the costs incurred in conducting the audit and
23 making its report of the audit and shall allocate the costs among
24 those property owners in proportion to the appraised value of each
25 property owner's property in the district or on such other basis as
26 the property owners may agree. If the audit confirms that the
27 median level of appraisal for a class of property exceeds 1.10 or

1 that the median level of appraisal for a class of property varies at
2 least 10 percent from the overall median level of appraisal for all
3 property in the district for which the board [~~comptroller~~]
4 determines a median level of appraisal, within 90 days after the
5 date a request is made by the property owners for reimbursement the
6 appraisal district shall reimburse the property owners who
7 requested the audit for the amount paid to the board [~~comptroller~~]
8 for the costs incurred in conducting the audit and making the
9 report. Before conducting an audit under Section 5.12(c), the
10 board [~~comptroller~~] may require the requesting taxing units or
11 property owners to provide the board [~~comptroller~~] with a bond,
12 deposit, or other financial security sufficient to cover the
13 expected costs of conducting the audit and making the report. For
14 purposes of this subsection, "costs" include expenses related to
15 salaries, professional fees, travel, reproduction or other
16 printing services, and consumable supplies that are directly
17 attributable to conducting the audit.

18 (h) At any time after the request for an audit is made, the
19 board [~~comptroller~~] may discontinue the audit in whole or in part if
20 requested to do so by:

21 (1) the governing bodies of a majority of the taxing
22 units participating in the district, if the audit was requested by a
23 majority of those units;

24 (2) the governing bodies of a majority of the taxing
25 units entitled to vote on the appointment of appraisal district
26 directors, if the audit was requested by a majority of those units;

27 or

1 (3) if the audit was requested under Section 5.12(c)
2 ~~[of this code]~~, by the taxpayers who requested the audit.

3 (i) The board ~~[comptroller]~~ by rule may adopt procedures,
4 audit standards, and forms for the administration of the
5 performance audits.

6 Sec. 5.14. PUBLIC ACCESS, INFORMATION, AND COMPLAINTS. (a)
7 The board ~~[comptroller]~~ shall develop and implement policies that
8 provide the public with a reasonable opportunity to submit
9 information on any property tax issue under the jurisdiction of the
10 board ~~[comptroller]~~.

11 (b) The board ~~[comptroller]~~ shall prepare and maintain a
12 written plan that describes how a person who does not speak English
13 or who has a physical, mental, or developmental disability may be
14 provided reasonable access to the board's ~~[comptroller's]~~ programs.

15 (c) The board ~~[comptroller]~~ shall prepare information of
16 public interest describing the property tax functions of the board
17 ~~[office of the comptroller]~~ and the board's ~~[comptroller's]~~
18 procedures by which complaints are filed with and resolved by the
19 board ~~[comptroller]~~. The board ~~[comptroller]~~ shall make the
20 information available to the public and appropriate state agencies.

21 (d) If a written complaint is filed with the board
22 ~~[comptroller]~~ that the board ~~[comptroller]~~ has authority to
23 resolve, the board ~~[comptroller]~~, at least quarterly and until
24 final disposition of the complaint, shall notify the parties to the
25 complaint of the status of the complaint unless notice would
26 jeopardize an undercover investigation.

27 (e) The board ~~[comptroller]~~ shall keep an information file

1 about each complaint filed with the board [~~comptroller~~] that the
2 board [~~comptroller~~] has authority to resolve.

3 Sec. 5.16. ADMINISTRATIVE PROVISIONS. (a) The board
4 [~~comptroller~~] may inspect the records or other materials of an
5 appraisal office or taxing unit, including the relevant records and
6 materials in the possession or control of a consultant, advisor, or
7 expert hired by the appraisal office or taxing unit, for the purpose
8 of:

9 (1) establishing, reviewing, or evaluating the value
10 of or an appraisal of any property; or

11 (2) conducting a study, review, or audit required by
12 Section 5.10, [~~or~~] 5.102, or 5.23 [~~by Section 403.302, Government~~
13 ~~Code~~].

14 (b) On request of the board [~~comptroller~~], the chief
15 appraiser or administrative head of the taxing unit shall produce
16 the materials in the form and manner prescribed by the board
17 [~~comptroller~~].

18 SECTION 1.08. Subchapter M, Chapter 403, Government Code,
19 is transferred to Chapter 5, Tax Code, redesignated as Subchapter
20 B, and amended to read as follows:

21 SUBCHAPTER B [~~M~~]. STUDY OF SCHOOL DISTRICT PROPERTY VALUES

22 Sec. 5.21 [~~403.301~~]. PURPOSE. It is the policy of this
23 state to ensure equity among taxpayers in the burden of school
24 district taxes and among school districts in the distribution of
25 state financial aid for public education. The purpose of this
26 subchapter is to promote that policy by providing for uniformity in
27 local property appraisal practices and procedures and in the

1 determination of property values for schools in order to distribute
2 state funding equitably.

3 Sec. 5.22 [~~403.3011~~]. DEFINITIONS. In this subchapter:

4 (1) "Study" means a study conducted under Section 5.23
5 [~~403.302~~].

6 (2) "Eligible school district" means a school district
7 for which the board [~~comptroller~~] has determined the following:

8 (A) in the most recent study, the local value is
9 invalid under Section 5.23(c) [~~403.302(c)~~] and does not exceed the
10 state value for the school district determined in the study;

11 (B) in the two studies preceding the most recent
12 study, the school district's local value was valid under Section
13 5.23(c) [~~403.302(c)~~];

14 (C) in the most recent study, the aggregate local
15 value of all of the categories of property sampled by the board
16 [~~comptroller~~] is not less than 90 percent of the lower limit of the
17 margin of error as determined by the board [~~comptroller~~] of the
18 aggregate value as determined by the board [~~comptroller~~] of all of
19 the categories of property sampled by the board [~~comptroller~~]; and

20 (D) the appraisal district that appraises
21 property for the school district was in compliance with the scoring
22 requirement of the board's [~~comptroller's~~] most recent review of
23 the appraisal district conducted under Section 5.102 [~~7, Tax Code~~].

24 (3) "Local value" means the market value of property
25 in a school district as determined by the appraisal district that
26 appraises property for the school district, less the total amounts
27 and values listed in Section 5.23(d) [~~403.302(d)~~] as determined by

1 that appraisal district.

2 (4) "State value" means the value of property in a
3 school district as determined in a study.

4 Sec. 5.23 [~~403.302~~]. DETERMINATION OF SCHOOL DISTRICT
5 PROPERTY VALUES. (a) The board [~~comptroller~~] shall conduct a study
6 using comparable sales and generally accepted auditing and sampling
7 techniques to determine the total taxable value of all property in
8 each school district. The study shall determine the taxable value
9 of all property and of each category of property in the district and
10 the productivity value of all land that qualifies for appraisal on
11 the basis of its productive capacity and for which the owner has
12 applied for and received a productivity appraisal. The board
13 [~~comptroller~~] shall make appropriate adjustments in the study to
14 account for actions taken under Chapter 41, Education Code.

15 (a-1) The board [~~comptroller~~] shall conduct a study:

16 (1) at least every two years in each school district
17 for which the most recent study resulted in a determination by the
18 board [~~comptroller~~] that the school district's local value was
19 valid; and

20 (2) each year in a school district for which the most
21 recent study resulted in a determination by the board [~~comptroller~~]
22 that the school district's local value was not valid.

23 (a-2) If in any year the board [~~comptroller~~] does not
24 conduct a study, the school district's local value for that year is
25 considered to be valid.

26 (b) In conducting the study, the board [~~comptroller~~] shall
27 determine the taxable value of property in each school district:

1 (1) using, if appropriate, samples selected through
2 generally accepted sampling techniques;

3 (2) according to generally accepted standard
4 valuation, statistical compilation, and analysis techniques;

5 (3) ensuring that different levels of appraisal on
6 sold and unsold property do not adversely affect the accuracy of the
7 study; and

8 (4) ensuring that different levels of appraisal
9 resulting from protests determined under Section 41.43[~~, Tax Code,~~]
10 are appropriately adjusted in the study.

11 (c) If after conducting the study the board [~~comptroller~~]
12 determines that the local value for a school district is valid, the
13 local value is presumed to represent taxable value for the school
14 district. In the absence of that presumption, taxable value for a
15 school district is the state value for the school district
16 determined by the board [~~comptroller~~] under Subsections (a) and (b)
17 unless the local value exceeds the state value, in which case the
18 taxable value for the school district is the district's local
19 value. In determining whether the local value for a school district
20 is valid, the board [~~comptroller~~] shall use a margin of error that
21 does not exceed five percent unless the board [~~comptroller~~]
22 determines that the size of the sample of properties necessary to
23 make the determination makes the use of such a margin of error not
24 feasible, in which case the board [~~comptroller~~] may use a larger
25 margin of error.

26 (c-1) This subsection applies only to a school district
27 whose central administrative office is located in a county with a

1 population of 9,000 or less and a total area of more than 6,000
2 square miles. If after conducting the study for a tax year the
3 board [~~comptroller~~] determines that the local value for a school
4 district is not valid, the board [~~comptroller~~] shall adjust the
5 taxable value determined under Subsections (a) and (b) as follows:

6 (1) for each category of property sampled and tested
7 by the board [~~comptroller~~] in the school district, the board
8 [~~comptroller~~] shall use the weighted mean appraisal ratio
9 determined by the study, unless the ratio is more than four
10 percentage points lower than the weighted mean appraisal ratio
11 determined by the board [~~comptroller~~] for that category of property
12 in the immediately preceding study, in which case the board
13 [~~comptroller~~] shall use the weighted mean appraisal ratio
14 determined in the immediately preceding study minus four percentage
15 points;

16 (2) the board [~~comptroller~~] shall use the category
17 weighted mean appraisal ratios as adjusted under Subdivision (1) to
18 establish a value estimate for each category of property sampled
19 and tested by the board [~~comptroller~~] in the school district; and

20 (3) the value estimates established under Subdivision
21 (2), together with the local tax roll value for any categories not
22 sampled and tested by the board [~~comptroller~~], less total
23 deductions determined by the board [~~comptroller~~], determine the
24 taxable value for the school district.

25 (d) For the purposes of this section, "taxable value" means
26 the market value of all taxable property less:

27 (1) the total dollar amount of any residence homestead

1 exemptions lawfully granted under Section 11.13(b) or (c) [~~7 Tax~~
2 ~~Code,~~] in the year that is the subject of the study for each school
3 district;

4 (2) one-half of the total dollar amount of any
5 residence homestead exemptions granted under Section 11.13(n) [~~7~~
6 ~~Tax Code,~~] in the year that is the subject of the study for each
7 school district;

8 (3) the total dollar amount of any exemptions granted
9 before May 31, 1993, within a reinvestment zone under agreements
10 authorized by Chapter 312 [~~7 Tax Code~~];

11 (4) subject to Subsection (e), the total dollar amount
12 of any captured appraised value of property that:

13 (A) is within a reinvestment zone created on or
14 before May 31, 1999, or is proposed to be included within the
15 boundaries of a reinvestment zone as the boundaries of the zone and
16 the proposed portion of tax increment paid into the tax increment
17 fund by a school district are described in a written notification
18 provided by the municipality or the board of directors of the zone
19 to the governing bodies of the other taxing units in the manner
20 provided by former Section 311.003(e) [~~7 Tax Code,~~] before May 31,
21 1999, and within the boundaries of the zone as those boundaries
22 existed on September 1, 1999, including subsequent improvements to
23 the property regardless of when made;

24 (B) generates taxes paid into a tax increment
25 fund created under Chapter 311 [~~7 Tax Code,~~] under a reinvestment
26 zone financing plan approved under Section 311.011(d) [~~7 Tax Code,~~]
27 on or before September 1, 1999; and

1 (C) is eligible for tax increment financing under
2 Chapter 311[~~, Tax Code~~];

3 (5) the total dollar amount of any captured appraised
4 value of property that:

5 (A) is within a reinvestment zone:

6 (i) created on or before December 31, 2008,
7 by a municipality with a population of less than 18,000; and

8 (ii) the project plan for which includes
9 the alteration, remodeling, repair, or reconstruction of a
10 structure that is included on the National Register of Historic
11 Places and requires that a portion of the tax increment of the zone
12 be used for the improvement or construction of related facilities
13 or for affordable housing;

14 (B) generates school district taxes that are paid
15 into a tax increment fund created under Chapter 311[~~, Tax Code~~]; and

16 (C) is eligible for tax increment financing under
17 Chapter 311[~~, Tax Code~~];

18 (6) the total dollar amount of any exemptions granted
19 under Section 11.251 or 11.253[~~, Tax Code~~];

20 (7) the difference between the board's [~~comptroller's~~]
21 estimate of the market value and the productivity value of land that
22 qualifies for appraisal on the basis of its productive capacity,
23 except that the productivity value estimated by the board
24 [~~comptroller~~] may not exceed the fair market value of the land;

25 (8) the portion of the appraised value of residence
26 homesteads of individuals who receive a tax limitation under
27 Section 11.26[~~, Tax Code~~] on which school district taxes are not

1 imposed in the year that is the subject of the study, calculated as
2 if the residence homesteads were appraised at the full value
3 required by law;

4 (9) a portion of the market value of property not
5 otherwise fully taxable by the district at market value because of:

6 (A) action required by statute or the
7 constitution of this state, other than Section 11.311[~~7-Tax Code~~],
8 that, if the tax rate adopted by the district is applied to it,
9 produces an amount equal to the difference between the tax that the
10 district would have imposed on the property if the property were
11 fully taxable at market value and the tax that the district is
12 actually authorized to impose on the property, if this subsection
13 does not otherwise require that portion to be deducted; or

14 (B) action taken by the district under Subchapter
15 B or C, Chapter 313[~~7-Tax Code~~] before the expiration of the
16 subchapter;

17 (10) the market value of all tangible personal
18 property, other than manufactured homes, owned by a family or
19 individual and not held or used for the production of income;

20 (11) the appraised value of property the collection of
21 delinquent taxes on which is deferred under Section 33.06[~~7-Tax~~
22 ~~Code~~];

23 (12) the portion of the appraised value of property
24 the collection of delinquent taxes on which is deferred under
25 Section 33.065[~~7-Tax Code~~]; and

26 (13) the amount by which the market value of a
27 residence homestead to which Section 23.23[~~7-Tax Code~~] applies

1 exceeds the appraised value of that property as calculated under
2 that section.

3 (d-1) For purposes of Subsection (d), a residence homestead
4 that receives an exemption under Section 11.131 or 11.132 [~~7, Tax~~
5 ~~Code,~~] in the year that is the subject of the study is not
6 considered to be taxable property.

7 (e) The total dollar amount deducted in each year as
8 required by Subsection (d)(4) in a reinvestment zone created after
9 January 1, 1999, may not exceed the captured appraised value
10 estimated for that year as required by Section 311.011(c)(8) [~~7, Tax~~
11 ~~Code,~~] in the reinvestment zone financing plan approved under
12 Section 311.011(d) [~~7, Tax Code,~~] before September 1, 1999. The
13 number of years for which the total dollar amount may be deducted
14 under Subsection (d)(4) shall for any zone, including those created
15 on or before January 1, 1999, be limited to the duration of the zone
16 as specified as required by Section 311.011(c)(9) [~~7, Tax Code,~~] in
17 the reinvestment zone financing plan approved under Section
18 311.011(d) [~~7, Tax Code,~~] before September 1, 1999. The total dollar
19 amount deducted under Subsection (d)(4) for any zone, including
20 those created on or before January 1, 1999, may not be increased by
21 any reinvestment zone financing plan amendments that occur after
22 August 31, 1999. The total dollar amount deducted under Subsection
23 (d)(4) for any zone, including those created on or before January 1,
24 1999, may not be increased by a change made after August 31, 1999,
25 in the portion of the tax increment retained by the school district.

26 (e-1) This subsection applies only to a reinvestment zone
27 created by a municipality that has a population of 70,000 or less

1 and is located in a county in which all or part of a military
2 installation is located. Notwithstanding Subsection (e), if on or
3 after January 1, 2017, the municipality adopts an ordinance
4 designating a termination date for the zone that is later than the
5 termination date designated in the ordinance creating the zone, the
6 number of years for which the total dollar amount may be deducted
7 under Subsection (d)(4) is limited to the duration of the zone as
8 determined under Section 311.017[~~, Tax Code~~].

9 (f) The study shall determine the values as of January 1 of
10 each year:

11 (1) for a school district in which a study was
12 conducted according to the results of the study; and

13 (2) for a school district in which a study was not
14 conducted according to the market value determined by the appraisal
15 district that appraises property for the district, less the amounts
16 specified by Subsection (d).

17 (g) The board [~~comptroller~~] shall publish preliminary
18 findings, listing values by district, before February 1 of the year
19 following the year of the study. Preliminary findings shall be
20 delivered to each school district and shall be certified to the
21 commissioner of education.

22 (h) On request of the commissioner of education or a school
23 district, the board [~~comptroller~~] may audit the total taxable value
24 of property in a school district and may revise the study findings.
25 The request for audit is limited to corrections and changes in a
26 school district's appraisal roll that occurred after preliminary
27 certification of the study findings by the board [~~comptroller~~].

1 Except as otherwise provided by this subsection, the request for
2 audit must be filed with the board [~~comptroller~~] not later than the
3 third anniversary of the date of the final certification of the
4 study findings. The request for audit may be filed not later than
5 the first anniversary of the date the chief appraiser certifies a
6 change to the appraisal roll if the chief appraiser corrects the
7 appraisal roll under Section 25.25 or 42.41[~~, Tax Code,~~] and the
8 change results in a material reduction in the total taxable value of
9 property in the school district. The board [~~comptroller~~] shall
10 certify the findings of the audit to the commissioner of education.

11 (i) If the board [~~comptroller~~] determines in the study that
12 the market value of property in a school district as determined by
13 the appraisal district that appraises property for the school
14 district, less the total of the amounts and values listed in
15 Subsection (d) as determined by that appraisal district, is valid,
16 the board [~~comptroller~~], in determining the taxable value of
17 property in the school district under Subsection (d), shall for
18 purposes of Subsection (d)(13) subtract from the market value as
19 determined by the appraisal district of residence homesteads to
20 which Section 23.23[~~, Tax Code,~~] applies the amount by which that
21 amount exceeds the appraised value of those properties as
22 calculated by the appraisal district under Section 23.23[~~, Tax~~
23 ~~Code~~]. If the board [~~comptroller~~] determines in the study that the
24 market value of property in a school district as determined by the
25 appraisal district that appraises property for the school district,
26 less the total of the amounts and values listed in Subsection (d) as
27 determined by that appraisal district, is not valid, the board

1 ~~[comptroller]~~, in determining the taxable value of property in the
2 school district under Subsection (d), shall for purposes of
3 Subsection (d)(13) subtract from the market value as estimated by
4 the board ~~[comptroller]~~ of residence homesteads to which Section
5 23.23~~[, Tax Code]~~ applies the amount by which that amount exceeds
6 the appraised value of those properties as calculated by the
7 appraisal district under Section 23.23~~[, Tax Code]~~.

8 (j) For purposes of Chapter 42, Education Code, the board
9 ~~[comptroller]~~ shall certify to the commissioner of education:

10 (1) a final value for each school district computed on
11 a residence homestead exemption under Section 1-b(c), Article VIII,
12 Texas Constitution, of \$5,000;

13 (2) a final value for each school district computed
14 on:

15 (A) a residence homestead exemption under
16 Section 1-b(c), Article VIII, Texas Constitution, of \$15,000; and

17 (B) the effect of the additional limitation on
18 tax increases under Section 1-b(d), Article VIII, Texas
19 Constitution, as proposed by H.J.R. No. 4, 75th Legislature,
20 Regular Session, 1997; and

21 (3) a final value for each school district computed on
22 the effect of the reduction of the limitation on tax increases to
23 reflect any reduction in the school district tax rate as provided by
24 Section 11.26(a-1), (a-2), or (a-3), ~~[Tax Code]~~ as applicable.

25 (k) For purposes of Section 42.2522, Education Code, the
26 board ~~[comptroller]~~ shall certify to the commissioner of education:

27 (1) a final value for each school district computed

1 without any deduction for residence homestead exemptions granted
2 under Section 11.13(n) [~~7, Tax Code~~]; and

3 (2) a final value for each school district computed
4 after deducting one-half the total dollar amount of residence
5 homestead exemptions granted under Section 11.13(n) [~~7, Tax Code~~].

6 (1) If after conducting the study for a year the board
7 [~~comptroller~~] determines that a school district is an eligible
8 school district, for that year and the following year the taxable
9 value for the school district is the district's local value.

10 (m) Subsection (d)(9) does not apply to property that was
11 the subject of an application under Subchapter B or C, Chapter 313,
12 [~~Tax Code~~], made after May 1, 2009, that the board or comptroller,
13 as applicable, recommended should be disapproved.

14 (m-1) The State Property Tax Board's [~~Comptroller's~~]
15 Property Value Study Advisory Committee is created. The committee
16 is composed of:

17 (1) one member of the house of representatives,
18 appointed by the speaker of the house of representatives;

19 (2) one member of the senate, appointed by the
20 lieutenant governor;

21 (3) two members who represent appraisal districts,
22 appointed by the board chair [~~comptroller~~];

23 (4) two members who represent school districts,
24 appointed by the board chair [~~comptroller~~]; and

25 (5) three members appointed by the board chair
26 [~~comptroller~~] who are residents of this state and are school
27 district taxpayers or have expertise in school district taxation or

1 ratio studies.

2 (n) Chapter 2110, Government Code, does not apply to the
3 size, composition, or duration of the State Property Tax Board's
4 [~~Comptroller's~~] Property Value Study Advisory Committee.

5 (o) The board [~~comptroller~~] shall adopt rules governing the
6 conduct of the study after consultation with the board's
7 [~~Comptroller's~~] Property Value Study Advisory Committee.

8 Sec. 5.24 [~~403.303~~]. PROTEST. (a) A school district or a
9 property owner whose property is included in the study under
10 Section 5.23 [~~403.302~~] and whose tax liability on the property is
11 \$100,000 or more may protest the board's [~~comptroller's~~] findings
12 under Section 5.23(g) or (h) [~~403.302(g) or (h)~~] by filing a
13 petition with the board [~~comptroller~~]. The petition must be filed
14 not later than the 40th day after the date on which the board's
15 [~~comptroller's~~] findings are certified to the commissioner of
16 education and must specify the grounds for objection and the value
17 claimed to be correct by the school district or property owner.

18 (b) After receipt of a petition, the board [~~comptroller~~]
19 shall hold a hearing. The board [~~comptroller~~] has the burden to
20 prove the accuracy of the findings. Until a final decision is made
21 by the board [~~comptroller~~], the taxable value of property in the
22 district is determined, with respect to property subject to the
23 protest, according to the value claimed by the school district or
24 property owner, except that the value to be used while a final
25 decision is pending may not be less than the appraisal roll value
26 for the year of the study. If after a hearing the board
27 [~~comptroller~~] concludes that the findings should be changed, the

1 board [~~comptroller~~] shall order the appropriate changes and shall
2 certify to the commissioner of education the changes in the values
3 of the school district that brought the protest, the values of the
4 school district named by the property owner who brought the
5 protest, or, if the board [~~comptroller~~] by rule allows an appraisal
6 district to bring a protest, the values of the school district named
7 by the appraisal district that brought the protest. The board
8 [~~comptroller~~] may not order a change in the values of a school
9 district as a result of a protest brought by another school
10 district, a property owner in the other school district, or an
11 appraisal district that appraises property for the other school
12 district. The board [~~comptroller~~] shall complete all protest
13 hearings and certify all changes as necessary to comply with
14 Chapter 42, Education Code. A hearing conducted under this
15 subsection is not a contested case for purposes of Section
16 [2001.003](#), Government Code.

17 (c) The board [~~comptroller~~] shall adopt procedural rules
18 governing the conduct of protest hearings. The rules shall provide
19 each protesting school district and property owner with the
20 requirements for submitting a petition initiating a protest and
21 shall provide each protesting school district and property owner
22 with adequate notice of a hearing, an opportunity to present
23 evidence and oral argument, and notice of the board's
24 [~~comptroller's~~] decision on the hearing.

25 (d) A protesting school district may appeal a determination
26 of a protest by the board [~~comptroller~~] to a district court of
27 Travis County by filing a petition with the court. An appeal must

1 be filed not later than the 30th day after the date the school
2 district receives notification of a final decision on a protest.
3 Review is conducted by the court sitting without a jury. The court
4 shall remand the determination to the board [~~comptroller~~] if on the
5 review the court discovers that substantial rights of the school
6 district have been prejudiced, and that:

7 (1) the board [~~comptroller~~] has acted arbitrarily and
8 without regard to the facts; or

9 (2) the finding of the board [~~comptroller~~] is not
10 reasonably supported by substantial evidence introduced before the
11 court.

12 (e) If, in a hearing under Subsection (b), the board
13 [~~comptroller~~] has not heard the case or read the record, the
14 decision may not be made until a proposal for decision is served on
15 each party and an opportunity to file exceptions is afforded to each
16 party adversely affected. If exceptions are filed, an opportunity
17 must be afforded to all other parties to file replies to the
18 exceptions. The proposal for decision must contain a statement of
19 the reasons for the proposed decision, prepared by the person who
20 conducted the hearing or by a person who has read the record. The
21 proposal for decision may be amended pursuant to the exceptions or
22 replies submitted without again being served on the parties. The
23 parties by written stipulation may waive compliance with this
24 subsection. The board [~~comptroller~~] may adopt rules to implement
25 this subsection.

26 Sec. 5.25 [~~403.304~~]. COOPERATION WITH BOARD [~~COMPTROLLER~~];
27 CONFIDENTIALITY. (a) A school district, appraisal district, or

1 other governmental entity in this state shall promptly comply with
2 an oral or written request from the board [~~comptroller~~] for
3 information to be used in conducting a study, including information
4 that is made confidential by Chapter 552, Government Code [~~of this~~
5 ~~code~~], Section 22.27 of this code, [~~Tax Code~~] or another law of
6 this state.

7 (a-1) All information the board [~~comptroller~~] obtains from
8 a person, other than a government or governmental subdivision or
9 agency, under an assurance that the information will be kept
10 confidential, in the course of conducting a study is confidential
11 and may not be disclosed except as provided in Subsection (b).

12 (b) Information made confidential by this section may be
13 disclosed:

14 (1) in a judicial or administrative proceeding
15 pursuant to a lawful subpoena;

16 (2) to the person who gave the information to the board
17 [~~comptroller~~]; or

18 (3) for statistical purposes if in a form that does not
19 identify specific property or a specific property owner.

20 ARTICLE 2. TRANSFER OF DUTIES AND CONFORMING AMENDMENTS

21 SECTION 2.01. Sections 1.085(e), (f), and (g), Tax Code,
22 are amended to read as follows:

23 (e) The State Property Tax Board [~~comptroller~~] by rule:

24 (1) shall prescribe acceptable media, formats,
25 content, and methods for the electronic transmission of notices
26 required by Section 25.19; and

27 (2) may prescribe acceptable media, formats, content,

1 and methods for the electronic transmission of other notices,
2 renditions, and applications.

3 (f) In an agreement entered into under this section, a chief
4 appraiser may select the medium, format, content, and method to be
5 used by the appraisal district from among those prescribed by the
6 State Property Tax Board [~~comptroller~~] under Subsection (e). If
7 the board [~~comptroller~~] has not prescribed the media, format,
8 content, and method applicable to the communication, the chief
9 appraiser may determine the medium, format, content, and method to
10 be used.

11 (g) Notwithstanding Subsection (a), if a property owner
12 whose property is included in 25 or more accounts in the appraisal
13 records of the appraisal district requests the chief appraiser to
14 enter into an agreement for the delivery of the notice required by
15 Section 25.19 in an electronic format, the chief appraiser must
16 enter into an agreement under this section for that purpose if the
17 appraisal district is located in a county that has a population of
18 more than 200,000. If the chief appraiser must enter into an
19 agreement under this subsection, the chief appraiser shall deliver
20 the notice in accordance with an electronic medium, format,
21 content, and method prescribed by the State Property Tax Board
22 [~~comptroller~~] under Subsection (e). If the board [~~comptroller~~] has
23 not prescribed the media, format, content, and method applicable to
24 the notice, the chief appraiser may determine the medium, format,
25 content, and method to be used.

26 SECTION 2.02. Sections 1.111(b), (e), and (h), Tax Code,
27 are amended to read as follows:

1 (b) The designation of an agent must be made by written
2 authorization on a form prescribed by the State Property Tax Board
3 [~~comptroller~~] under Subsection (h) and signed by the owner, a
4 property manager authorized to designate agents for the owner, or
5 another person authorized to act on behalf of the owner other than
6 the person being designated as agent, and must clearly indicate
7 that the person is authorized to act on behalf of the property owner
8 in property tax matters relating to the property or the property
9 owner. The designation may authorize the agent to represent the
10 owner in all property tax matters or in specific property tax
11 matters as identified in the designation. The designation does not
12 take effect with respect to an appraisal district or a taxing unit
13 participating in the appraisal district until a copy of the
14 designation is filed with the appraisal district. Each appraisal
15 district established for a county having a population of 500,000 or
16 more shall implement a system that allows a designation to be signed
17 and filed electronically.

18 (e) An agreement between a property owner or the owner's
19 agent and the chief appraiser is final if the agreement relates to a
20 matter:

21 (1) which may be protested to the appraisal review
22 board or on which a protest has been filed but not determined by the
23 appraisal review board; or

24 (2) which may be corrected under Section 25.25 or on
25 which a motion for correction under that section has been filed but
26 not determined by the appraisal review board.

27 (h) The State Property Tax Board [~~comptroller~~] shall

1 prescribe forms and adopt rules to facilitate compliance with this
2 section. The board [~~comptroller~~] shall include on any form used for
3 designation of an agent for a single-family residential property in
4 which the property owner resides the following statement in
5 boldfaced type:

6 "In some cases, you may want to contact your appraisal district or
7 other local taxing units for free information and/or forms
8 concerning your case before designating an agent."

9 SECTION 2.03. Sections 6.05(c) and (i), Tax Code, are
10 amended to read as follows:

11 (c) The chief appraiser is the chief administrator of the
12 appraisal office. Except as provided by Section 6.0501, the chief
13 appraiser is appointed by and serves at the pleasure of the
14 appraisal district board of directors. If a taxing unit performs
15 the duties of the appraisal office pursuant to a contract, the
16 assessor for the unit is the chief appraiser. To be eligible to be
17 appointed or serve as a chief appraiser, a person must be certified
18 as a registered professional appraiser under Section 1151.160,
19 Occupations Code, possess an MAI professional designation from the
20 Appraisal Institute, or possess an Assessment Administration
21 Specialist (AAS), Certified Assessment Evaluator (CAE), or
22 Residential Evaluation Specialist (RES) professional designation
23 from the International Association of Assessing Officers. A person
24 who is eligible to be appointed or serve as a chief appraiser by
25 having a professional designation described by this subsection must
26 become certified as a registered professional appraiser under
27 Section 1151.160, Occupations Code, not later than the fifth

1 anniversary of the date the person is appointed or begins to serve
2 as chief appraiser. A chief appraiser who is not eligible to be
3 appointed or serve as chief appraiser may not perform an action
4 authorized or required by law to be performed by a chief appraiser,
5 including the preparation, certification, or submission of any part
6 of the appraisal roll. Not later than January 1 of each year, a
7 chief appraiser shall notify the State Property Tax Board
8 [~~comptroller~~] in writing that the chief appraiser is either
9 eligible to be appointed or serve as the chief appraiser or not
10 eligible to be appointed or serve as the chief appraiser.

11 (i) To ensure adherence with generally accepted appraisal
12 practices, the board of directors of an appraisal district shall
13 develop biennially a written plan for the periodic reappraisal of
14 all property within the boundaries of the district according to the
15 requirements of Section 25.18 and shall hold a public hearing to
16 consider the proposed plan. Not later than the 10th day before the
17 date of the hearing, the secretary of the board shall deliver to the
18 presiding officer of the governing body of each taxing unit
19 participating in the district a written notice of the date, time,
20 and place for the hearing. Not later than September 15 of each
21 even-numbered year, the board shall complete its hearings, make any
22 amendments, and by resolution finally approve the plan. Copies of
23 the approved plan shall be distributed to the presiding officer of
24 the governing body of each taxing unit participating in the
25 district and to the State Property Tax Board [~~comptroller~~] within
26 60 days of the approval date.

27 SECTION 2.04. Section 6.0501, Tax Code, is amended to read

1 as follows:

2 Sec. 6.0501. APPOINTMENT OF ELIGIBLE CHIEF APPRAISER BY
3 STATE PROPERTY TAX BOARD [~~COMPTROLLER~~]. (a) The State Property Tax
4 Board [~~comptroller~~] shall appoint a person eligible to be a chief
5 appraiser under Section 6.05(c) or a person who has previously been
6 appointed or served as a chief appraiser to perform the duties of
7 chief appraiser for an appraisal district whose chief appraiser is
8 ineligible to serve.

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

11 (1) the first anniversary of the date the State
12 Property Tax Board [~~comptroller~~] appoints the chief appraiser; or

13 (2) the date the board of directors of the appraisal
14 district:

15 (A) appoints a chief appraiser under Section
16 6.05(c); or

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

20 (c) The State Property Tax Board [~~comptroller~~] shall
21 determine the compensation of a chief appraiser appointed under
22 this section. A chief appraiser appointed under this section shall
23 determine the budget necessary for the adequate operation of the
24 appraisal office, subject to the approval of the State Property Tax
25 Board [~~comptroller~~]. The board of directors of the appraisal
26 district shall amend the budget as necessary to compensate the
27 appointed chief appraiser and fund the appraisal office as

1 determined under this subsection.

2 (d) An appraisal district that does not appoint a chief
3 appraiser or contract with an appraisal district or a taxing unit to
4 perform the duties of the appraisal office by the first anniversary
5 of the date the State Property Tax Board [~~comptroller~~] appoints a
6 chief appraiser shall contract with an appraisal district or a
7 taxing unit to perform the duties of the appraisal office or with a
8 qualified public or private entity to perform the duties of the
9 chief appraiser, subject to the approval of the State Property Tax
10 Board [~~comptroller~~].

11 SECTION 2.05. Sections 6.052(a) and (b), Tax Code, are
12 amended to read as follows:

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

1 prescribed by that board [~~the comptroller~~].

2 (b) The taxpayer liaison officer shall provide to the public
3 information and materials designed to assist property owners in
4 understanding the appraisal process, protest procedures, the
5 procedure for filing comments and suggestions under Subsection (a)
6 of this section or a complaint under Section 6.04(g), and other
7 matters. Information concerning the process for submitting
8 comments and suggestions to the State Property Tax Board
9 [~~comptroller~~] concerning an appraisal review board shall be
10 provided at each protest hearing.

11 SECTION 2.06. Section 6.412(c), Tax Code, is amended to
12 read as follows:

13 (c) A person is ineligible to serve on the appraisal review
14 board if the person is a member of the board of directors, an
15 officer, or an employee of the appraisal district, is an employee or
16 member of the State Property Tax Board [~~comptroller~~], or is a member
17 of the governing body, an officer, or an employee of a taxing unit.

18 SECTION 2.07. Section 11.11(b), Tax Code, is amended to
19 read as follows:

20 (b) Land owned by the Permanent University Fund is taxable
21 for county purposes. Any notice required by Section 25.19 [~~of this~~
22 ~~code~~] shall be sent to the State Property Tax Board [~~comptroller~~],
23 and the board [~~comptroller~~] shall appear on [~~in~~] behalf of the state
24 in any protest or appeal relating to taxation of Permanent
25 University Fund land.

26 SECTION 2.08. Section 11.135(g), Tax Code, is amended to
27 read as follows:

1 (g) The State Property Tax Board [~~comptroller~~] shall adopt
2 rules and forms to implement this section.

3 SECTION 2.09. Section 11.182(i), Tax Code, is amended to
4 read as follows:

5 (i) If any property owned by an organization receiving an
6 exemption under this section has been acquired or sold during the
7 preceding year, such organization shall file by March 31 of the
8 following year with the chief appraiser in the county in which the
9 relevant property is located, on a form promulgated by the State
10 Property Tax Board [~~comptroller of public accounts~~], a list of such
11 properties acquired or sold during the preceding year.

12 SECTION 2.10. Section 11.26(e), Tax Code, is amended to
13 read as follows:

14 (e) For each school district in an appraisal district, the
15 chief appraiser shall determine the portion of the appraised value
16 of residence homesteads of individuals on which school district
17 taxes are not imposed in a tax year because of the limitation on tax
18 increases imposed by this section. That portion is calculated by
19 determining the taxable value that, if multiplied by the tax rate
20 adopted by the school district for the tax year, would produce an
21 amount equal to the amount of tax that would have been imposed by
22 the school district on those residence homesteads if the limitation
23 on tax increases imposed by this section were not in effect, but
24 that was not imposed because of that limitation. The chief
25 appraiser shall determine that taxable value and certify it to the
26 State Property Tax Board [~~comptroller~~] as soon as practicable for
27 each tax year.

1 SECTION 2.11. Section 11.27(b), Tax Code, is amended to
2 read as follows:

3 (b) The State Property Tax Board [~~comptroller~~], with the
4 assistance of the Texas Energy and Natural Resources Advisory
5 Council, or its successor, shall develop guidelines to assist local
6 officials in the administration of this section.

7 SECTION 2.12. Sections 11.43(f) and (j), Tax Code, are
8 amended to read as follows:

9 (f) The State Property Tax Board [~~comptroller~~], in
10 prescribing the contents of the application form for each kind of
11 exemption, shall ensure that the form requires an applicant to
12 furnish the information necessary to determine the validity of the
13 exemption claim. The form must require an applicant to provide the
14 applicant's name and driver's license number, personal
15 identification certificate number, or social security account
16 number. If the applicant is a charitable organization with a
17 federal tax identification number, the form must allow the
18 applicant to provide the organization's federal tax identification
19 number in lieu of a driver's license number, personal
20 identification certificate number, or social security account
21 number. The board [~~comptroller~~] shall include on the forms a notice
22 of the penalties prescribed by Section 37.10, Penal Code, for
23 making or filing an application containing a false statement. The
24 board [~~comptroller~~] shall include, on application forms for
25 exemptions that do not have to be claimed annually, a statement
26 explaining that the application need not be made annually and that
27 if the exemption is allowed, the applicant has a duty to notify the

1 chief appraiser when the applicant's entitlement to the exemption
2 ends. In this subsection:

3 (1) "Driver's license" has the meaning assigned that
4 term by Section 521.001, Transportation Code.

5 (2) "Personal identification certificate" means a
6 certificate issued by the Department of Public Safety under
7 Subchapter E, Chapter 521, Transportation Code.

8 (j) In addition to the items required by Subsection (f), an
9 application for a residence homestead exemption prescribed by the
10 State Property Tax Board [~~comptroller~~] and authorized by Section
11 11.13 must:

12 (1) list each owner of the residence homestead and the
13 interest of each owner;

14 (2) state that the applicant does not claim an
15 exemption under that section on another residence homestead in this
16 state or claim a residence homestead exemption on a residence
17 homestead outside this state;

18 (3) state that each fact contained in the application
19 is true;

20 (4) include a copy of the applicant's driver's license
21 or state-issued personal identification certificate unless the
22 applicant:

23 (A) is a resident of a facility that provides
24 services related to health, infirmity, or aging; or

25 (B) is certified for participation in the address
26 confidentiality program administered by the attorney general under
27 Subchapter C, Chapter 56, Code of Criminal Procedure;

1 (5) state that the applicant has read and understands
2 the notice of the penalties required by Subsection (f); and

3 (6) be signed by the applicant.

4 SECTION 2.13. Section 11.44(c), Tax Code, is amended to
5 read as follows:

6 (c) The State Property Tax Board [~~comptroller~~] shall
7 prescribe by rule the content of the explanation required by
8 Subsection (a) of this section, and shall require that each
9 exemption application form be printed and prepared:

10 (1) as a separate form from any other form; or

11 (2) on the front of the form if the form also provides
12 for other information.

13 SECTION 2.14. Section 11.48(b), Tax Code, is amended to
14 read as follows:

15 (b) Information made confidential by this section may be
16 disclosed:

17 (1) in a judicial or administrative proceeding
18 pursuant to a lawful subpoena;

19 (2) to the person who filed the application or to the
20 person's representative authorized in writing to receive the
21 information;

22 (3) to the State Property Tax Board [~~comptroller~~] and
23 the board's [~~comptroller's~~] employees authorized by the board
24 [~~comptroller~~] in writing to receive the information or to an
25 assessor or a chief appraiser if requested in writing;

26 (4) in a judicial or administrative proceeding
27 relating to property taxation to which the person who filed the

1 application is a party; or

2 (5) if and to the extent the information is required to
3 be included in a public document or record that the appraisal office
4 is required by law to prepare or maintain.

5 SECTION 2.15. Section 21.03(b), Tax Code, is amended to
6 read as follows:

7 (b) The State Property Tax Board [~~comptroller~~] shall adopt
8 rules:

9 (1) identifying the kinds of property subject to this
10 section; and

11 (2) establishing formulas for calculating the
12 proportion of total market value to be allocated to this state.

13 SECTION 2.16. Sections 21.031(e) and (f), Tax Code, are
14 amended to read as follows:

15 (e) To receive an allocation of value under this section, a
16 property owner must apply for the allocation on a form that
17 substantially complies with the form prescribed by the State
18 Property Tax Board [~~comptroller~~]. The application must be filed
19 with the chief appraiser for the district in which the property to
20 which the application applies is taxable before the approval of the
21 appraisal records by the appraisal review board as provided by
22 Section 41.12 [~~of this code~~].

23 (f) The State Property Tax Board [~~comptroller~~] shall
24 promulgate forms and may adopt rules consistent with the provisions
25 of this section.

26 SECTION 2.17. Section 21.09(c), Tax Code, is amended to
27 read as follows:

1 (c) The State Property Tax Board [~~comptroller~~] shall
2 prescribe the contents of the allocation application form and shall
3 ensure that the form requires an applicant to provide the
4 information necessary to determine the validity of the allocation
5 claim.

6 SECTION 2.18. Section 22.01(1), Tax Code, is amended to
7 read as follows:

8 (1) If the information contained in the most recent
9 rendition statement filed by a person in a prior tax year is
10 accurate with respect to the current tax year, the person may comply
11 with the requirements of Subsection (a) by filing a rendition
12 statement on a form prescribed or approved by the State Property Tax
13 Board [~~comptroller~~] under Section 22.24(c) on which the person has
14 checked the appropriate box to affirm that the information
15 continues to be complete and accurate.

16 SECTION 2.19. Section 22.21, Tax Code, is amended to read as
17 follows:

18 Sec. 22.21. PUBLICIZING REQUIREMENTS. Each year the State
19 Property Tax Board [~~comptroller~~] and each chief appraiser shall
20 publicize in a manner reasonably designed to notify all property
21 owners the requirements of the law relating to filing rendition
22 statements and property reports and of the availability of forms.

23 SECTION 2.20. Sections 22.24(a), (c), and (e), Tax Code,
24 are amended to read as follows:

25 (a) A person required to render property or to file a report
26 as provided by this chapter shall use a form that substantially
27 complies with the appropriate form prescribed or approved by the

1 State Property Tax Board [~~comptroller~~].

2 (c) The State Property Tax Board [~~comptroller~~] may
3 prescribe or approve different forms for different kinds of
4 property but shall ensure that each form requires a property owner
5 to furnish the information necessary to identify the property and
6 to determine its ownership, taxability, and situs. Each form must
7 include a box that the property owner may check to permit the
8 property owner to affirm that the information contained in the most
9 recent rendition statement filed by the property owner in a prior
10 tax year is accurate with respect to the current tax year in
11 accordance with Section 22.01(1). A form may not require but may
12 permit a property owner to furnish information not specifically
13 required by this chapter to be reported. In addition, a form
14 prescribed or approved under this subsection must contain the
15 following statement in bold type: "If you make a false statement on
16 this form, you could be found guilty of a Class A misdemeanor or a
17 state jail felony under Section 37.10, Penal Code."

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

1 owner.

2 SECTION 2.21. Sections 22.27(a), (b), and (d), Tax Code,
3 are amended to read as follows:

4 (a) Rendition statements, real and personal property
5 reports, attachments to those statements and reports, and other
6 information the owner of property provides to the appraisal office
7 in connection with the appraisal of the property, including income
8 and expense information related to a property filed with an
9 appraisal office and information voluntarily disclosed to an
10 appraisal office or the State Property Tax Board [~~comptroller~~]
11 about real or personal property sales prices after a promise it will
12 be held confidential, are confidential and not open to public
13 inspection. The statements and reports and the information they
14 contain about specific real or personal property or a specific real
15 or personal property owner and information voluntarily disclosed to
16 an appraisal office about real or personal property sales prices
17 after a promise it will be held confidential may not be disclosed to
18 anyone other than an employee of the appraisal office who appraises
19 property except as authorized by Subsection (b) of this section.

20 (b) Information made confidential by this section may be
21 disclosed:

22 (1) in a judicial or administrative proceeding
23 pursuant to a lawful subpoena;

24 (2) to the person who filed the statement or report or
25 the owner of property subject to the statement, report, or
26 information or to a representative of either authorized in writing
27 to receive the information;

1 (3) to the State Property Tax Board [~~comptroller~~] and
2 the board's [~~comptroller's~~] employees authorized by the board
3 [~~comptroller~~] in writing to receive the information or to an
4 assessor or a chief appraiser if requested in writing;

5 (4) in a judicial or administrative proceeding
6 relating to property taxation to which the person who filed the
7 statement or report or the owner of the property that is a subject
8 of the statement, report, or information is a party;

9 (5) for statistical purposes if in a form that does not
10 identify specific property or a specific property owner;

11 (6) if and to the extent the information is required to
12 be included in a public document or record that the appraisal office
13 is required to prepare or maintain;

14 (7) to a taxing unit or its legal representative that
15 is engaged in the collection of delinquent taxes on the property
16 that is the subject of the information;

17 (8) to an employee or agent of a taxing unit
18 responsible for auditing, monitoring, or reviewing the operations
19 of an appraisal district; or

20 (9) to an employee or agent of a school district that
21 is engaged in the preparation of a protest of the State Property Tax
22 Board's [~~comptroller's~~] property value study in accordance with
23 Section 5.24 [~~403.303, Government Code~~].

24 (d) No person who directly or indirectly provides
25 information to the State Property Tax Board [~~comptroller~~] or
26 appraisal office about real or personal property sales prices,
27 either as set forth in Subsection (a) of this section under a

1 promise of confidentiality, or otherwise, shall be liable to any
2 other person as the result of providing such information.

3 SECTION 2.22. Sections 23.121(a)(3) and (6), Tax Code, are
4 amended to read as follows:

5 (3) "Dealer" means a person who holds a dealer's
6 general distinguishing number issued by the Texas Department of
7 Motor Vehicles under the authority of Chapter 503, Transportation
8 Code, or who is legally recognized as a motor vehicle dealer
9 pursuant to the law of another state and who complies with the terms
10 of Section 152.063(f). The term does not include:

11 (A) a person who holds a manufacturer's license
12 issued under Chapter 2301, Occupations Code;

13 (B) an entity that is owned or controlled by a
14 person who holds a manufacturer's license issued under Chapter
15 2301, Occupations Code;

16 (C) a dealer whose general distinguishing number
17 issued by the Texas Department of Motor Vehicles under the
18 authority of Chapter 503, Transportation Code, prohibits the dealer
19 from selling a vehicle to any person except a dealer; or

20 (D) a dealer who:

21 (i) does not sell motor vehicles described
22 by Section 152.001(3)(A);

23 (ii) meets either of the following
24 requirements:

25 (a) the total annual sales from the
26 dealer's motor vehicle inventory, less sales to dealers, fleet
27 transactions, and subsequent sales, for the 12-month period

1 corresponding to the preceding tax year are 25 percent or less of
2 the dealer's total revenue from all sources during that period; or

3 (b) the dealer did not sell a motor
4 vehicle to a person other than another dealer during the 12-month
5 period corresponding to the preceding tax year and the dealer
6 estimates that the dealer's total annual sales from the dealer's
7 motor vehicle inventory, less sales to dealers, fleet transactions,
8 and subsequent sales, for the 12-month period corresponding to the
9 current tax year will be 25 percent or less of the dealer's total
10 revenue from all sources during that period;

11 (iii) not later than August 31 of the
12 preceding tax year, filed with the chief appraiser and the
13 collector a declaration on a form prescribed by the State Property
14 Tax Board [~~comptroller~~] stating that the dealer elected not to be
15 treated as a dealer under this section in the current tax year; and

16 (iv) renders the dealer's motor vehicle
17 inventory in the current tax year by filing a rendition with the
18 chief appraiser in the manner provided by Chapter 22.

19 (6) "Declaration" means the dealer's motor vehicle
20 inventory declaration form promulgated by the State Property Tax
21 Board [~~comptroller~~] as required by this section.

22 SECTION 2.23. Section 23.121(f), Tax Code, is amended to
23 read as follows:

24 (f) The State Property Tax Board [~~comptroller~~] shall
25 promulgate a form entitled Dealer's Motor Vehicle Inventory
26 Declaration. Except as provided by Section 23.122(1), not later
27 than February 1 of each year, or, in the case of a dealer who was not

1 in business on January 1, not later than 30 days after commencement
2 of business, each dealer shall file a declaration with the chief
3 appraiser and file a copy with the collector. For purposes of this
4 subsection, a dealer is presumed to have commenced business on the
5 date of issuance to the dealer of a dealer's general distinguishing
6 number as provided by Chapter 503, Transportation Code.
7 Notwithstanding the presumption created by this subsection, a chief
8 appraiser may, at his or her sole discretion, designate as the date
9 on which a dealer commenced business a date other than the date of
10 issuance to the dealer of a dealer's general distinguishing number.
11 The declaration is sufficient to comply with this subsection if it
12 sets forth the following information:

13 (1) the name and business address of each location at
14 which the dealer owner conducts business;

15 (2) each of the dealer's general distinguishing
16 numbers issued by the Texas Department of Motor Vehicles;

17 (3) a statement that the dealer owner is the owner of a
18 dealer's motor vehicle inventory; and

19 (4) the market value of the dealer's motor vehicle
20 inventory for the current tax year as computed under Section
21 [23.121\(b\)](#).

22 SECTION 2.24. Sections [23.122\(a\)](#) and (e), Tax Code, are
23 amended to read as follows:

24 (a) In this section:

25 (1) "Aggregate tax rate" means the combined tax rates
26 of all relevant taxing units authorized by law to levy property
27 taxes against a dealer's motor vehicle inventory.

1 (2) "Chief appraiser" has the meaning given it in
2 Section 23.121 [~~of this code~~].

3 (3) "Collector" has the meaning given it in Section
4 23.121 [~~of this code~~].

5 (4) "Dealer's motor vehicle inventory" has the meaning
6 given it in Section 23.121 [~~of this code~~].

7 (5) "Declaration" has the meaning given it in Section
8 23.121 [~~of this code~~].

9 (6) "Owner" has the meaning given it in Section 23.121
10 [~~of this code~~].

11 (7) "Relevant taxing unit" means a taxing unit,
12 including the county, authorized by law to levy property taxes
13 against a dealer's motor vehicle inventory.

14 (8) "Sales price" has the meaning given it in Section
15 23.121 [~~of this code~~].

16 (9) "Statement" means the Dealer's Motor Vehicle
17 Inventory Tax Statement filed on a form promulgated by the State
18 Property Tax Board [~~comptroller~~] as required by this section.

19 (10) "Subsequent sale" has the meaning given it in
20 Section 23.121 [~~of this code~~].

21 (11) "Total annual sales" has the meaning given it in
22 Section 23.121 [~~of this code~~].

23 (12) "Unit property tax factor" means a number equal
24 to one-twelfth of the prior year aggregate tax rate at the location
25 where a dealer's motor vehicle inventory is located on January 1 of
26 the current year.

27 (e) The State Property Tax Board [~~comptroller~~] shall

1 promulgate a form entitled a Dealer's Motor Vehicle Inventory Tax
2 Statement. Each month, a dealer shall complete the form regardless
3 of whether a motor vehicle is sold. A dealer may use no other form
4 for that purpose. The statement may include the information the
5 board [~~comptroller~~] deems appropriate but shall include at least
6 the following:

- 7 (1) a description of each motor vehicle sold;
 - 8 (2) the sales price of the motor vehicle;
 - 9 (3) the unit property tax of the motor vehicle if any;
- 10 and
- 11 (4) the reason no unit property tax is assigned if no
12 unit property tax is assigned.

13 SECTION 2.25. Section 23.123(c), Tax Code, is amended to
14 read as follows:

15 (c) Information made confidential by this section may be
16 disclosed:

- 17 (1) in a judicial or administrative proceeding
18 pursuant to a lawful subpoena;
- 19 (2) to the person who filed the declaration or
20 statement or to that person's representative authorized by the
21 person in writing to receive the information;
- 22 (3) to the comptroller or an employee of the
23 comptroller authorized by the comptroller to receive the
24 information;
- 25 (4) to a collector or chief appraiser;
- 26 (5) to a district attorney, criminal district attorney
27 or county attorney involved in the enforcement of a penalty imposed

1 pursuant to Section 23.121 or Section 23.122;

2 (6) for statistical purposes if in a form that does not
3 identify specific property or a specific property owner;

4 (7) if and to the extent that the information is
5 required for inclusion in a public document or record that the
6 appraisal or collection office is required by law to prepare or
7 maintain; ~~or~~

8 (8) to the Texas Department of Motor Vehicles for use
9 by that department in auditing compliance of its licensees with
10 appropriate provisions of applicable law; or

11 (9) to the State Property Tax Board or an employee of
12 the board authorized by the board to receive the information.

13 SECTION 2.26. Section 23.124(a)(6), Tax Code, is amended to
14 read as follows:

15 (6) "Declaration" means the dealer's vessel and
16 outboard motor inventory declaration form promulgated by the State
17 Property Tax Board ~~[comptroller]~~ as required by this section.

18 SECTION 2.27. Section 23.124(f), Tax Code, is amended to
19 read as follows:

20 (f) The State Property Tax Board ~~[comptroller]~~ shall
21 promulgate a form entitled "Dealer's Vessel and Outboard Motor
22 Inventory Declaration." Except as provided by Section 23.125(1)
23 ~~[of this code]~~, not later than February 1 of each year or, in the
24 case of a dealer who was not in business on January 1, not later than
25 30 days after commencement of business, each dealer shall file a
26 declaration with the chief appraiser and file a copy with the
27 collector. The declaration is sufficient to comply with this

1 subsection if it sets forth the following information:

2 (1) the name and business address of each location at
3 which the dealer owner conducts business;

4 (2) each of the dealer's and manufacturer's numbers
5 issued by the Parks and Wildlife Department;

6 (3) a statement that the dealer owner is the owner of a
7 dealer's vessel and outboard motor inventory; and

8 (4) the market value of the dealer's vessel and
9 outboard motor inventory for the current tax year as computed under
10 Subsection (b) of this section.

11 SECTION 2.28. Section 23.1241(a)(4), Tax Code, is amended
12 to read as follows:

13 (4) "Declaration" means a dealer's heavy equipment
14 inventory declaration form adopted by the State Property Tax Board
15 [~~comptroller~~] under this section.

16 SECTION 2.29. Section 23.1241(f), Tax Code, is amended to
17 read as follows:

18 (f) The State Property Tax Board [~~comptroller~~] by rule shall
19 adopt a dealer's heavy equipment inventory declaration form.
20 Except as provided by Section 23.1242(k), not later than February 1
21 of each year, or, in the case of a dealer who was not in business on
22 January 1, not later than 30 days after commencement of business,
23 each dealer shall file a declaration with the chief appraiser and
24 file a copy with the collector. The declaration is sufficient to
25 comply with this subsection if it sets forth:

26 (1) the name and business address of each location at
27 which the declarant conducts business;

1 (2) a statement that the declarant is the owner of a
2 dealer's heavy equipment inventory; and

3 (3) the market value of the declarant's heavy
4 equipment inventory for the current tax year as computed under
5 Subsection (b).

6 SECTION 2.30. Section 23.1242(a)(3), Tax Code, is amended
7 to read as follows:

8 (3) "Statement" means the dealer's heavy equipment
9 inventory tax statement filed on a form adopted by the State
10 Property Tax Board [~~comptroller~~] under this section.

11 SECTION 2.31. Section 23.1242(e), Tax Code, is amended to
12 read as follows:

13 (e) The State Property Tax Board [~~comptroller~~] by rule shall
14 adopt a dealer's heavy equipment inventory tax statement form.
15 Each month, a dealer shall complete the form regardless of whether
16 an item of heavy equipment is sold, leased, or rented. A dealer may
17 use no other form for that purpose. The statement may include the
18 information the board [~~comptroller~~] considers appropriate but
19 shall include at least the following:

20 (1) a description of each item of heavy equipment
21 sold, leased, or rented including any unique identification or
22 serial number affixed to the item by the manufacturer;

23 (2) the sales price of or lease or rental payment
24 received for the item of heavy equipment, as applicable;

25 (3) the unit property tax of the item of heavy
26 equipment, if any; and

27 (4) the reason no unit property tax is assigned if no

1 unit property tax is assigned.

2 SECTION 2.32. Sections 23.125(a) and (e), Tax Code, are
3 amended to read as follows:

4 (a) In [~~in~~] this section:

5 (1) "Aggregate tax rate" means the combined tax rates
6 of all relevant taxing units authorized by law to levy property
7 taxes against a dealer's vessel and outboard motor inventory.

8 (2) "Chief appraiser" has the meaning given it in
9 Section 23.124 [~~of this code~~].

10 (3) "Collector" has the meaning given it in Section
11 23.124 [~~of this code~~].

12 (4) "Dealer's vessel and outboard motor inventory" has
13 the meaning given it in Section 23.124 [~~of this code~~].

14 (5) "Declaration" has the meaning given it in Section
15 23.124 [~~of this code~~].

16 (6) "Owner" has the meaning given it in Section 23.124
17 [~~of this code~~].

18 (7) "Relevant taxing unit" means a taxing unit,
19 including the county, authorized by law to levy property taxes
20 against a dealer's vessel and outboard motor inventory.

21 (8) "Sales price" has the meaning given it in Section
22 23.124 [~~of this code~~].

23 (9) "Statement" means the dealer's vessel and outboard
24 motor inventory tax statement filed on a form promulgated by the
25 State Property Tax Board [~~comptroller~~] as required by this section.

26 (10) "Subsequent sale" has the meaning given it in
27 Section 23.124 [~~of this code~~].

1 (11) "Total annual sales" has the meaning given it in
2 Section 23.124 [~~of this code~~].

3 (12) "Unit property tax factor" means a number equal
4 to one-twelfth of the prior year aggregate tax rate at the location
5 where a dealer's vessel and outboard motor inventory is located on
6 January 1 of the current year.

7 (e) The State Property Tax Board [~~comptroller~~] shall
8 promulgate a form entitled "Dealer's Vessel and Outboard Motor
9 Inventory Tax Statement." Each month, a dealer shall complete the
10 form regardless of whether a vessel and outboard motor is sold. A
11 dealer may use no other form for that purpose. The statement may
12 include the information the board [~~comptroller~~] deems appropriate
13 but shall include at least the following:

14 (1) a description of each vessel or outboard motor
15 sold;

16 (2) the sales price of the vessel or outboard motor;

17 (3) the unit property tax of the vessel or outboard
18 motor, if any; and

19 (4) the reason no unit property tax is assigned if no
20 unit property tax is assigned.

21 SECTION 2.33. Section 23.126(c), Tax Code, is amended to
22 read as follows:

23 (c) Information made confidential by this section may be
24 disclosed:

25 (1) in a judicial or administrative proceeding
26 pursuant to a lawful subpoena;

27 (2) to the person who filed the declaration or

1 statement or to that person's representative authorized by the
2 person in writing to receive the information;

3 (3) to the comptroller or an employee of the
4 comptroller authorized by the comptroller to receive the
5 information;

6 (4) to a collector or chief appraiser;

7 (5) to a district attorney, criminal district
8 attorney, or county attorney involved in the enforcement of a
9 penalty imposed pursuant to Section 23.124 or Section 23.125 [~~of~~
10 ~~this code~~];

11 (6) for statistical purposes if in a form that does not
12 identify specific property or a specific property owner; [~~or~~]

13 (7) if and to the extent that the information is
14 required for inclusion in a document or record that the appraisal or
15 collection office is required by law to prepare or maintain; or

16 (8) to the State Property Tax Board or an employee of
17 the board authorized by the board to receive the information.

18 SECTION 2.34. Section 23.127(a)(3), Tax Code, is amended to
19 read as follows:

20 (3) "Declaration" means a retail manufactured housing
21 inventory declaration form adopted by the State Property Tax Board
22 [~~comptroller~~] under this section.

23 SECTION 2.35. Section 23.127(f), Tax Code, is amended to
24 read as follows:

25 (f) The State Property Tax Board [~~comptroller~~] by rule shall
26 adopt a form entitled "Retail Manufactured Housing Inventory
27 Declaration." Except as provided by Section 23.128(k), not later

1 than February 1 of each year or, in the case of a retailer who was
2 not in business on January 1, not later than the 30th day after the
3 date the retailer commences business, each retailer shall file a
4 declaration with the chief appraiser and file a copy with the
5 collector. The declaration is sufficient to comply with this
6 subsection if it sets forth the following information:

7 (1) the name and business address of each location at
8 which the retailer conducts business;

9 (2) the retailer's license number issued by the
10 department;

11 (3) a statement that the retailer is the owner of a
12 retail manufactured housing inventory; and

13 (4) the market value of the retailer's manufactured
14 housing inventory for the current tax year as computed under
15 Subsection (b).

16 SECTION 2.36. Section 23.128(a)(4), Tax Code, is amended to
17 read as follows:

18 (4) "Statement" means the retail manufactured housing
19 inventory tax statement filed on a form adopted by the State
20 Property Tax Board [~~comptroller~~] under this section.

21 SECTION 2.37. Section 23.128(e), Tax Code, is amended to
22 read as follows:

23 (e) The State Property Tax Board [~~comptroller~~] by rule shall
24 adopt a form entitled "Retail Manufactured Housing Inventory Tax
25 Statement." Each month, a retailer shall complete the form
26 regardless of whether a unit of manufactured housing is sold. A
27 retailer may not use another form for that purpose. The statement

1 shall include:

2 (1) a description of the unit of manufactured housing
3 sold, including any unique identification or serial number affixed
4 to each unit by the manufacturer;

5 (2) the sales price of the unit of manufactured
6 housing;

7 (3) any unit property tax of the unit of manufactured
8 housing;

9 (4) the reason a unit property tax is not assigned if
10 that is the case; and

11 (5) any other information the board [~~comptroller~~]
12 considers appropriate.

13 SECTION 2.38. Section 23.175(b), Tax Code, is amended to
14 read as follows:

15 (b) The State Property Tax Board [~~comptroller~~] by rule shall
16 develop and distribute to each appraisal office appraisal manuals
17 that specify the formula to be used in computing the limit on the
18 price for an interest used in the second through the sixth year of
19 an appraisal and the methods and procedures to discount future
20 income from the sale of oil or gas from the interest to present
21 value.

22 SECTION 2.39. Sections 23.41(b) and (e), Tax Code, are
23 amended to read as follows:

24 (b) The State Property Tax Board [~~comptroller~~] shall
25 promulgate rules specifying the methods to apply and the procedures
26 to use in appraising land designated for agricultural use.

27 (e) Improvements other than appurtenances to the land, the

1 mineral estate, and all land used for residential purposes and for
2 processing harvested agricultural products are appraised
3 separately at market value. Riparian water rights, private roads,
4 dams, reservoirs, water wells, and canals, ditches, terraces, and
5 similar reshaping of or additions to the soil for agricultural
6 purposes are appurtenances to the land, and the effect of each on
7 the value of the land for agricultural use shall be considered in
8 appraising the land. However, the State Property Tax Board
9 [~~comptroller~~] shall provide that in calculating average net income
10 from land a deduction from income be allowed for an appurtenance
11 subject to depreciation or depletion.

12 SECTION 2.40. Section 23.43(d), Tax Code, is amended to
13 read as follows:

14 (d) The State Property Tax Board [~~comptroller~~] in
15 prescribing the contents of the application forms shall ensure that
16 each form requires a claimant to furnish the information necessary
17 to determine the validity of the claim. The board [~~comptroller~~]
18 shall require that the form permit a claimant who has previously
19 been allowed an agricultural designation to indicate that
20 previously reported information has not changed and to supply only
21 the eligibility information not previously reported.

22 SECTION 2.41. Section 23.45(b), Tax Code, is amended to
23 read as follows:

24 (b) Information made confidential by this section may be
25 disclosed:

26 (1) in a judicial or administrative proceeding
27 pursuant to a lawful subpoena;

1 (2) to the person who filed the application or to the
2 person's [~~his~~] representative authorized in writing to receive the
3 information;

4 (3) to the comptroller and to employees of the
5 comptroller [~~his employees~~] authorized by the comptroller [~~him~~] in
6 writing to receive the information or to an assessor or a chief
7 appraiser if requested in writing by that official;

8 (4) in a judicial or administrative proceeding
9 relating to property taxation to which the person who filed the
10 application is a party;

11 (5) for statistical purposes if in a form that does not
12 identify specific property or a specific property owner; [~~or~~]

13 (6) if and to the extent the information is required to
14 be included in a public document or record that the appraisal office
15 is required to prepare or maintain; or

16 (7) to the State Property Tax Board or an employee of
17 the board authorized by the board to receive the information.

18 SECTION 2.42. Section 23.52(d), Tax Code, is amended to
19 read as follows:

20 (d) The State Property Tax Board [~~comptroller~~] by rule shall
21 develop and distribute to each appraisal office appraisal manuals
22 setting forth this method of appraising qualified open-space land,
23 and each appraisal office shall use the appraisal manuals in
24 appraising qualified open-space land. The board [~~comptroller~~] by
25 rule shall develop and the appraisal office shall enforce
26 procedures to verify that land meets the conditions contained in
27 Subdivision (1) of Section 23.51 [~~of this code~~]. The rules, before

1 taking effect, must be approved by a majority vote of a committee
2 comprised of the following officials or their designees: the
3 governor, the comptroller, the attorney general, the agriculture
4 commissioner, and the Commissioner of the General Land Office.

5 SECTION 2.43. Section 23.521(a), Tax Code, is amended to
6 read as follows:

7 (a) The Parks and Wildlife Department, with the assistance
8 of the State Property Tax Board [~~comptroller~~], shall develop
9 standards for determining whether land qualifies under Section
10 23.51(7) for appraisal under this subchapter. The board
11 [~~comptroller~~] by rule shall adopt the standards developed by the
12 Parks and Wildlife Department and distribute those rules to each
13 appraisal district. On request of the Parks and Wildlife
14 Department, the Texas Agricultural Extension Service shall assist
15 the department in developing the standards.

16 SECTION 2.44. Sections 23.54(b) and (c), Tax Code, are
17 amended to read as follows:

18 (b) To be valid, the application must:

19 (1) be on a form provided by the appraisal office and
20 prescribed by the State Property Tax Board [~~comptroller~~]; and

21 (2) contain the information necessary to determine the
22 validity of the claim.

23 (c) The State Property Tax Board [~~comptroller~~] shall
24 include on the form a notice of the penalties prescribed by Section
25 37.10, Penal Code, for making or filing an application containing a
26 false statement. The board [~~comptroller~~], in prescribing the
27 contents of the application form, shall require that the form

1 permit a claimant who has previously been allowed appraisal under
2 this subchapter to indicate that previously reported information
3 has not changed and to supply only the eligibility information not
4 previously reported.

5 SECTION 2.45. Section 23.73(b), Tax Code, is amended to
6 read as follows:

7 (b) The State Property Tax Board [~~comptroller~~] by rule shall
8 develop and distribute to each appraisal office appraisal manuals
9 setting forth this method of appraising qualified timber land, and
10 each appraisal office shall use the appraisal manuals in appraising
11 qualified timber land. The board [~~comptroller~~] by rule shall
12 develop and the appraisal office shall enforce procedures to verify
13 that land meets the conditions contained in Section 23.72 [~~of this~~
14 ~~code~~]. The rules, before taking effect, must be approved by
15 majority vote of a committee comprised of the following officials
16 or their designees: the governor, the comptroller, the attorney
17 general, the agriculture commissioner, and the Commissioner of the
18 General Land Office.

19 SECTION 2.46. Sections 23.75(b) and (c), Tax Code, are
20 amended to read as follows:

21 (b) To be valid, the application must:

22 (1) be on a form provided by the appraisal office and
23 prescribed by the State Property Tax Board [~~comptroller~~]; and

24 (2) contain the information necessary to determine the
25 validity of the claim.

26 (c) The State Property Tax Board [~~comptroller~~] shall
27 include on the form a notice of the penalties prescribed by Section

1 37.10, Penal Code, for making or filing an application containing a
2 false statement. The board [~~comptroller~~], in prescribing the
3 contents of the application form, shall require that the form
4 permit a claimant who has previously been allowed appraisal under
5 this subchapter to indicate that previously reported information
6 has not changed and to supply only the eligibility information not
7 previously reported.

8 SECTION 2.47. Section 23.83(e), Tax Code, is amended to
9 read as follows:

10 (e) The State Property Tax Board [~~comptroller~~] shall
11 promulgate rules specifying the methods to apply and the procedures
12 to use in appraising land under this subchapter.

13 SECTION 2.48. Section 23.84(f), Tax Code, is amended to
14 read as follows:

15 (f) The State Property Tax Board [~~comptroller~~] in
16 prescribing the contents of the application forms shall ensure that
17 each form requires a claimant to furnish the information necessary
18 to determine the validity of the claim and that the form requires
19 the claimant to state that the land for which he or she claims
20 appraisal under this subchapter will be used exclusively for
21 recreational, park, or scenic uses in the current year.

22 SECTION 2.49. Section 23.93(e), Tax Code, is amended to
23 read as follows:

24 (e) The State Property Tax Board [~~comptroller~~] shall
25 promulgate rules specifying the methods to apply and the procedures
26 to use in appraising property under this subchapter.

27 SECTION 2.50. Section 23.94(f), Tax Code, is amended to

1 read as follows:

2 (f) The State Property Tax Board [~~comptroller~~] in
3 prescribing the contents of the application forms shall ensure that
4 each form requires a claimant to furnish the information necessary
5 to determine the validity of the claim and that the form requires
6 the claimant to state that the airport property for which he or she
7 claims appraisal under this subchapter will be used exclusively as
8 public access airport property in the current year.

9 SECTION 2.51. Sections 23.9804(b), (c), and (d), Tax Code,
10 are amended to read as follows:

11 (b) To be valid, an application for appraisal under Section
12 23.9802(a) must:

13 (1) be on a form provided by the appraisal office and
14 prescribed by the State Property Tax Board [~~comptroller~~];

15 (2) provide evidence that the land qualifies for
16 designation as an aesthetic management zone, critical wildlife
17 habitat zone, or streamside management zone;

18 (3) specify the location of the proposed zone and the
19 quantity of land, in acres, in the proposed zone; and

20 (4) contain other information necessary to determine
21 the validity of the claim.

22 (c) To be valid, an application for appraisal under Section
23 23.9802(b) must:

24 (1) be on a form provided by the appraisal office and
25 prescribed by the State Property Tax Board [~~comptroller~~];

26 (2) provide evidence that the land on which the timber
27 was harvested was appraised under Subchapter E in the year in which

1 the timber was harvested;

2 (3) provide evidence that all of the land has been
3 regenerated in compliance with Section 23.9802(b)(2); and

4 (4) contain other information necessary to determine
5 the validity of the claim.

6 (d) The State Property Tax Board [~~comptroller~~] shall
7 include on the form a notice of the penalties prescribed by Section
8 37.10, Penal Code, for making or filing an application containing a
9 false statement. The board [~~comptroller~~], in prescribing the
10 contents of the application form, shall require that the form
11 permit a claimant who has previously been allowed appraisal under
12 this subchapter to indicate that the previously reported
13 information has not changed and to supply only the eligibility
14 information not previously reported.

15 SECTION 2.52. Section 24.32(c), Tax Code, is amended to
16 read as follows:

17 (c) A report required by this section must be on a form
18 prescribed by the State Property Tax Board [~~comptroller~~]. In
19 prescribing the form, the board [~~comptroller~~] shall ensure that it
20 requires the information necessary to determine market value of
21 rolling stock used in this state.

22 SECTION 2.53. Section 24.34(b), Tax Code, is amended to
23 read as follows:

24 (b) The State Property Tax Board [~~comptroller~~] shall adopt
25 rules establishing formulas for interstate allocation of the value
26 of railroad rolling stock.

27 SECTION 2.54. Section 24.36, Tax Code, is amended to read as

1 follows:

2 Sec. 24.36. CERTIFICATION TO STATE PROPERTY TAX BOARD
3 [~~COMPTROLLER~~]. On approval of the appraised value of the rolling
4 stock as provided by Chapter 41 of this code, the chief appraiser
5 shall certify to the State Property Tax Board [~~comptroller~~] the
6 amount of market value allocated to this state for each owner whose
7 rolling stock is appraised in the county and the name and business
8 address of each owner.

9 SECTION 2.55. Section 24.365, Tax Code, is amended to read
10 as follows:

11 Sec. 24.365. CORRECTION OF CERTIFIED AMOUNT. (a) A chief
12 appraiser who discovers that the chief appraiser's certification to
13 the State Property Tax Board [~~comptroller~~] of the amount of the
14 market value of rolling stock allocated to this state under Section
15 24.36 was incomplete or incorrect shall immediately certify the
16 correct amount of that market value to the board [~~comptroller~~].

17 (b) As soon as practicable after the State Property Tax
18 Board [~~comptroller~~] receives the correct certification from the
19 chief appraiser, the board [~~comptroller~~] shall certify to the
20 county assessor-collector for each affected county the information
21 required by Section 24.38 as corrected.

22 SECTION 2.56. Section 24.37, Tax Code, is amended to read as
23 follows:

24 Sec. 24.37. INTRASTATE APPORTIONMENT. The State Property
25 Tax Board [~~comptroller~~] shall apportion the appraised value of each
26 owner's rolling stock to each county in which the railroad using it
27 operates according to the ratio the mileage of road owned by the

1 railroad in the county bears to the total mileage of road the
2 railroad owns in this state.

3 SECTION 2.57. Section 24.38, Tax Code, is amended to read as
4 follows:

5 Sec. 24.38. CERTIFICATION OF APPORTIONED VALUE. Before
6 July 26, the State Property Tax Board [~~comptroller~~] shall certify
7 to the county assessor-collector for each county in which a
8 railroad operates:

9 (1) the county's apportioned amount of the market
10 value of each owner's rolling stock; and

11 (2) the name and business address of each owner.

12 SECTION 2.58. Section 24.40(a), Tax Code, is amended to
13 read as follows:

14 (a) If a chief appraiser discovers that rolling stock used
15 in this state and subject to appraisal by him or her has not been
16 appraised and apportioned to the counties in one of the two
17 preceding years, the appraiser [~~he~~] shall appraise the property as
18 of January 1 for each year it was omitted, submit the appraisal for
19 review and protest, and certify the approved value to the State
20 Property Tax Board [~~comptroller~~].

21 SECTION 2.59. Section 25.011(b), Tax Code, is amended to
22 read as follows:

23 (b) The record for each type of specially appraised property
24 must be maintained in a separate document for each 12-month period
25 beginning June 1. The document must include the name of at least one
26 owner of the property, the acreage of the property, and other
27 information sufficient to identify the property as required by the

1 State Property Tax Board [~~comptroller~~]. All entries in each
2 document must be kept in alphabetical order according to the last
3 name of each owner whose name is part of the record.

4 SECTION 2.60. Section 25.02(a), Tax Code, is amended to
5 read as follows:

6 (a) The appraisal records shall be in the form prescribed by
7 the State Property Tax Board [~~comptroller~~] and shall include:

8 (1) the name and address of the owner or, if the name
9 or address is unknown, a statement that it is unknown;

10 (2) real property;

11 (3) separately taxable estates or interests in real
12 property, including taxable possessory interests in exempt real
13 property;

14 (4) personal property;

15 (5) the appraised value of land and, if the land is
16 appraised as provided by Subchapter C, D, E, or H, Chapter 23, the
17 market value of the land;

18 (6) the appraised value of improvements to land;

19 (7) the appraised value of a separately taxable estate
20 or interest in land;

21 (8) the appraised value of personal property;

22 (9) the kind of any partial exemption the owner is
23 entitled to receive, whether the exemption applies to appraised or
24 assessed value, and, in the case of an exemption authorized by
25 Section 11.23, the amount of the exemption;

26 (10) the tax year to which the appraisal applies; and

27 (11) an identification of each taxing unit in which

1 the property is taxable.

2 SECTION 2.61. Section 25.025(b), Tax Code, is amended to
3 read as follows:

4 (b) Information in appraisal records under Section 25.02 is
5 confidential and is available only for the official use of the
6 appraisal district, this state, the State Property Tax Board
7 [~~comptroller~~], and taxing units and political subdivisions of this
8 state if:

9 (1) the information identifies the home address of a
10 named individual to whom this section applies; and

11 (2) the individual chooses to restrict public access
12 to the information on the form prescribed for that purpose by the
13 board [~~comptroller~~] under Section 5.07.

14 SECTION 2.62. Section 25.026(b), Tax Code, is amended to
15 read as follows:

16 (b) Information in appraisal records under Section 25.02 is
17 confidential and is available only for the official use of the
18 appraisal district, this state, the State Property Tax Board
19 [~~comptroller~~], and taxing units and political subdivisions of this
20 state if the information identifies the address of a family
21 violence shelter center, a sexual assault program, or a victims of
22 trafficking shelter center.

23 SECTION 2.63. Section 25.03(b), Tax Code, is amended to
24 read as follows:

25 (b) The State Property Tax Board [~~comptroller~~] may adopt
26 rules establishing minimum standards for descriptions of property.

27 SECTION 2.64. Sections 25.19(i) and (j), Tax Code, are

1 amended to read as follows:

2 (i) Delivery with a notice required by Subsection (a) or (g)
3 of a copy of the pamphlet published by the State Property Tax Board
4 [~~comptroller~~] under Section 5.06 or a copy of the notice published
5 by the chief appraiser under Section 41.70 is sufficient to comply
6 with the requirement that the notice include the information
7 specified by Subsection (b)(7) or (g)(3), as applicable.

8 (j) The chief appraiser shall include with a notice required
9 by Subsection (a) or (g):

10 (1) a copy of a notice of protest form as prescribed by
11 the State Property Tax Board [~~comptroller~~] under Section 41.44(d);
12 and

13 (2) instructions for completing and mailing the form
14 to the appraisal review board and requesting a hearing on the
15 protest.

16 SECTION 2.65. Section 25.23(b), Tax Code, is amended to
17 read as follows:

18 (b) Supplemental appraisal records shall be in the form
19 prescribed by the State Property Tax Board [~~comptroller~~] and shall
20 include the items required by Section 25.02 [~~of this code~~].

21 SECTION 2.66. Section 26.01(b), Tax Code, is amended to
22 read as follows:

23 (b) When a chief appraiser submits an appraisal roll for
24 county taxes to a county assessor-collector, the chief appraiser
25 also shall certify the appraisal district appraisal roll to the
26 State Property Tax Board [~~comptroller~~]. However, the board
27 [~~comptroller~~] by rule may provide for submission of only a summary

1 of the appraisal roll. The chief appraiser shall certify the
2 district appraisal roll or the summary of that roll in the form and
3 manner prescribed by the board's [~~comptroller's~~] rule.

4 SECTION 2.67. Section 26.04(e), Tax Code, is amended to
5 read as follows:

6 (e) By August 7 or as soon thereafter as practicable, the
7 designated officer or employee shall submit the rates to the
8 governing body. The officer or employee [~~He~~] shall deliver by mail
9 to each property owner in the unit or publish in a newspaper in the
10 form prescribed by the State Property Tax Board [~~comptroller~~]:

11 (1) the effective tax rate, the rollback tax rate, and
12 an explanation of how they were calculated;

13 (2) the estimated amount of interest and sinking fund
14 balances and the estimated amount of maintenance and operation or
15 general fund balances remaining at the end of the current fiscal
16 year that are not encumbered with or by corresponding existing debt
17 obligation;

18 (3) a schedule of the unit's debt obligations showing:

19 (A) the amount of principal and interest that
20 will be paid to service the unit's debts in the next year from
21 property tax revenue, including payments of lawfully incurred
22 contractual obligations providing security for the payment of the
23 principal of and interest on bonds and other evidences of
24 indebtedness issued on behalf of the unit by another political
25 subdivision and, if the unit is created under Section 52, Article
26 III, or Section 59, Article XVI, Texas Constitution, payments on
27 debts that the unit anticipates to incur in the next calendar year;

1 (B) the amount by which taxes imposed for debt
2 are to be increased because of the unit's anticipated collection
3 rate; and

4 (C) the total of the amounts listed in Paragraphs
5 (A)-(B), less any amount collected in excess of the previous year's
6 anticipated collections certified as provided in Subsection (b);

7 (4) the amount of additional sales and use tax revenue
8 anticipated in calculations under Section [26.041](#);

9 (5) a statement that the adoption of a tax rate equal
10 to the effective tax rate would result in an increase or decrease,
11 as applicable, in the amount of taxes imposed by the unit as
12 compared to last year's levy, and the amount of the increase or
13 decrease;

14 (6) in the year that a taxing unit calculates an
15 adjustment under Subsection (i) or (j), a schedule that includes
16 the following elements:

17 (A) the name of the unit discontinuing the
18 department, function, or activity;

19 (B) the amount of property tax revenue spent by
20 the unit listed under Paragraph (A) to operate the discontinued
21 department, function, or activity in the 12 months preceding the
22 month in which the calculations required by this chapter are made;
23 and

24 (C) the name of the unit that operates a distinct
25 department, function, or activity in all or a majority of the
26 territory of a taxing unit that has discontinued operating the
27 distinct department, function, or activity; and

1 (7) in the year following the year in which a taxing
2 unit raised its rollback rate as required by Subsection (j), a
3 schedule that includes the following elements:

4 (A) the amount of property tax revenue spent by
5 the unit to operate the department, function, or activity for which
6 the taxing unit raised the rollback rate as required by Subsection
7 (j) for the 12 months preceding the month in which the calculations
8 required by this chapter are made; and

9 (B) the amount published by the unit in the
10 preceding tax year under Subdivision (6)(B).

11 SECTION 2.68. Section 26.16(e), Tax Code, is amended to
12 read as follows:

13 (e) The State Property Tax Board [~~comptroller~~] by rule shall
14 prescribe the manner in which the information described by this
15 section is required to be presented.

16 SECTION 2.69. Section 31.075(a), Tax Code, is amended to
17 read as follows:

18 (a) At the request of a property owner or a property owner's
19 agent, the collector for a taxing unit shall issue a receipt showing
20 the taxable value and the amount of tax imposed by the unit on the
21 property in one or more tax years for which the information is
22 requested, the tax rate for each of those tax years, and the amount
23 of tax paid in each of those years. The receipt must describe the
24 property in the manner prescribed by the State Property Tax Board
25 [~~comptroller~~]. If the amount of the tax for the current year has
26 not been calculated when the request is made, the collector shall on
27 request issue to the property owner or agent a statement indicating

1 that taxes for the current year have not been calculated.

2 SECTION 2.70. Section 31.11(c), Tax Code, is amended to
3 read as follows:

4 (c) Except as provided by Subsection (c-1), an application
5 for a refund must be made within three years after the date of the
6 payment or the taxpayer waives the right to the refund. A taxpayer
7 may apply for a refund by filing:

8 (1) an application on a form prescribed by the State
9 Property Tax Board [~~comptroller~~] by rule; or

10 (2) a written request that includes information
11 sufficient to enable the collector and the auditor for the taxing
12 unit and, if applicable, the governing body of the taxing unit to
13 determine whether the taxpayer is entitled to the refund.

14 SECTION 2.71. Section 33.43(e), Tax Code, is amended to
15 read as follows:

16 (e) The State Property Tax Board [~~comptroller~~] shall
17 prepare forms for petitions initiating suits to collect delinquent
18 taxes. An attorney representing a taxing unit may use the forms or
19 develop his or her own form.

20 SECTION 2.72. Section 41.44(d), Tax Code, is amended to
21 read as follows:

22 (d) A notice of protest is sufficient if it identifies the
23 protesting property owner, including a person claiming an ownership
24 interest in the property even if that person is not listed on the
25 appraisal records as an owner of the property, identifies the
26 property that is the subject of the protest, and indicates apparent
27 dissatisfaction with some determination of the appraisal office.

1 The notice need not be on an official form, but the State Property
2 Tax Board [~~comptroller~~] shall prescribe a form that provides for
3 more detail about the nature of the protest. The form must permit a
4 property owner to include each property in the appraisal district
5 that is the subject of a protest. The State Property Tax Board
6 [~~comptroller~~], each appraisal office, and each appraisal review
7 board shall make the forms readily available and deliver one to a
8 property owner on request.

9 SECTION 2.73. Sections 41.45(k) and (l), Tax Code, are
10 amended to read as follows:

11 (k) The State Property Tax Board [~~comptroller~~] shall
12 prescribe a standard form for an affidavit offered under Subsection
13 (b). Each appraisal district shall make copies of the affidavit
14 form available to property owners without charge.

15 (l) A property owner is not required to use the affidavit
16 form prescribed by the State Property Tax Board [~~comptroller~~] when
17 offering an affidavit under Subsection (b).

18 SECTION 2.74. Section 41.461(a), Tax Code, is amended to
19 read as follows:

20 (a) At least 14 days before a hearing on a protest, the chief
21 appraiser shall:

22 (1) deliver a copy of the pamphlet prepared by the
23 State Property Tax Board [~~comptroller~~] under Section 5.06 [~~5.06(a)~~]
24 to the property owner initiating the protest if the owner is
25 representing himself or herself, or to an agent representing the
26 owner if requested by the agent;

27 (2) inform the property owner that the owner or the

1 agent of the owner may inspect and may obtain a copy of the data,
2 schedules, formulas, and all other information the chief appraiser
3 plans to introduce at the hearing to establish any matter at issue;
4 and

5 (3) deliver a copy of the hearing procedures
6 established by the appraisal review board under Section 41.66 to
7 the property owner.

8 SECTION 2.75. Section 41.65, Tax Code, is amended to read as
9 follows:

10 Sec. 41.65. REQUEST FOR STATE ASSISTANCE. The appraisal
11 review board may request the State Property Tax Board [~~comptroller~~]
12 to assist in determining the accuracy of appraisals by the
13 appraisal office or to provide other professional assistance. The
14 appraisal office shall reimburse the costs of providing assistance
15 if the board [~~comptroller~~] requests reimbursement.

16 SECTION 2.76. Section 41.66(a), Tax Code, is amended to
17 read as follows:

18 (a) The appraisal review board shall establish by rule the
19 procedures for hearings it conducts as provided by Subchapters A
20 and C of this chapter. On request made by a property owner in the
21 owner's notice of protest or in a separate writing delivered to the
22 appraisal review board on or before the date the notice of protest
23 is filed, the property owner is entitled to a copy of the hearing
24 procedures. The copy of the hearing procedures shall be delivered
25 to the property owner not later than the 10th day before the date
26 the hearing on the protest begins and may be delivered with the
27 notice of the protest hearing required under Section 41.46(a). The

1 notice of protest form prescribed by the State Property Tax Board
2 [~~comptroller~~] under Section 41.44(d) or any other notice of protest
3 form made available to a property owner by the appraisal review
4 board or the appraisal office shall provide the property owner an
5 opportunity to make or decline to make a request under this
6 subsection. The appraisal review board shall post a copy of the
7 hearing procedures in a prominent place in the room in which the
8 hearing is held.

9 SECTION 2.77. Section 41.68, Tax Code, is amended to read as
10 follows:

11 Sec. 41.68. RECORD OF PROCEEDING. The appraisal review
12 board shall keep a record of its proceedings in the form and manner
13 prescribed by the State Property Tax Board [~~comptroller~~].

14 SECTION 2.78. Section 41.70(a), Tax Code, is amended to
15 read as follows:

16 (a) On or after May 1 but not later than May 15, the chief
17 appraiser shall publish notice of the manner in which a protest
18 under this chapter may be brought by a property owner. The notice
19 must describe how to initiate a protest and must describe the
20 deadlines for filing a protest. The notice must also describe the
21 manner in which an order of the appraisal review board may be
22 appealed. The State Property Tax Board [~~comptroller~~] by rule shall
23 adopt minimum standards for the form and content of the notice
24 required by this section.

25 SECTION 2.79. Section 41A.03(a), Tax Code, is amended to
26 read as follows:

27 (a) To appeal an appraisal review board order under this

1 chapter, a property owner must file with the appraisal district not
2 later than the 45th day after the date the property owner receives
3 notice of the order:

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

6 (2) an arbitration deposit made payable to the State
7 Property Tax Board [~~comptroller~~] in the amount of \$500.

8 SECTION 2.80. Section 41A.04, Tax Code, is amended to read
9 as follows:

10 Sec. 41A.04. CONTENTS OF REQUEST FORM. The State Property
11 Tax Board [~~comptroller~~] by rule shall prescribe the form of a
12 request for binding arbitration under this chapter. The form must
13 require the property owner to provide only:

14 (1) a brief statement that explains the basis for the
15 property owner's appeal of the appraisal review board order;

16 (2) a statement of the property owner's opinion of the
17 appraised or market value, as applicable, of the property that is
18 the subject of the appeal; and

19 (3) any other information reasonably necessary for the
20 appraisal district to request appointment of an arbitrator.

21 SECTION 2.81. Section 41A.05, Tax Code, is amended to read
22 as follows:

23 Sec. 41A.05. PROCESSING OF REGISTRATION REQUEST. (a) Not
24 later than the 10th day after the date an appraisal district
25 receives from a property owner a completed request for binding
26 arbitration under this chapter and an arbitration deposit as
27 required by Section 41A.03, the appraisal district shall:

- 1 (1) certify the request;
- 2 (2) submit the request and deposit to the State
- 3 Property Tax Board [~~comptroller~~]; and
- 4 (3) request the State Property Tax Board [~~comptroller~~]
- 5 to appoint a qualified arbitrator to conduct the arbitration.

6 (b) The State Property Tax Board [~~comptroller~~] may retain an

7 amount equal to 10 percent of the deposit to cover the board's

8 [~~comptroller's~~] administrative costs.

9 SECTION 2.82. Sections 41A.06(a) and (c), Tax Code, are

10 amended to read as follows:

11 (a) The State Property Tax Board [~~comptroller~~] shall

12 maintain a registry listing the qualified persons who have agreed

13 to serve as arbitrators under this chapter.

14 (c) An arbitrator must complete a training program on

15 property tax law before conducting a hearing on an arbitration

16 relating to the appeal of an appraisal review board order

17 determining a protest filed under Section 41.41(a)(2). The

18 training program must:

19 (1) emphasize the requirements regarding the equal and

20 uniform appraisal of property;

21 (2) be at least four hours in length; and

22 (3) be approved by the State Property Tax Board

23 [~~comptroller~~].

24 SECTION 2.83. Section 41A.061, Tax Code, is amended to read

25 as follows:

26 Sec. 41A.061. CONTINUED QUALIFICATION OF ARBITRATOR;

27 RENEWAL OF AGREEMENT. (a) The State Property Tax Board

1 ~~[comptroller]~~ shall include a qualified arbitrator in the registry
2 until the second anniversary of the date the person was added to the
3 registry. To continue to be included in the registry after the
4 second anniversary of the date the person was added to the registry,
5 the person must renew the person's agreement with the board
6 ~~[comptroller]~~ to serve as an arbitrator on or as near as possible to
7 the date on which the person's license or certification issued
8 under Chapter 901, 1101, or 1103, Occupations Code, is renewed.

9 (b) To renew the person's agreement to serve as an
10 arbitrator, the person must:

11 (1) file a renewal application with the State Property
12 Tax Board ~~[comptroller]~~ at the time and in the manner prescribed by
13 the board ~~[comptroller]~~;

14 (2) continue to meet the requirements provided by
15 Section 41A.06(b); and

16 (3) during the preceding two years have completed at
17 least eight hours of continuing education in arbitration and
18 alternative dispute resolution procedures offered by a university,
19 college, real estate trade association, or legal association.

20 (c) The State Property Tax Board ~~[comptroller]~~ shall remove
21 a person from the registry if the person fails or declines to renew
22 the person's agreement to serve as an arbitrator in the manner
23 required by this section.

24 SECTION 2.84. Section 41A.07, Tax Code, is amended to read
25 as follows:

26 Sec. 41A.07. APPOINTMENT OF ARBITRATOR. (a) On receipt of
27 the request and deposit under Section 41A.05, the State Property

1 Tax Board [~~comptroller~~] shall send the property owner and the
2 appraisal district a copy of the board's [~~comptroller's~~] registry
3 of qualified arbitrators and request that the parties select an
4 arbitrator from the registry. The board [~~comptroller~~] may send a
5 copy of the registry to the parties by regular mail in paper form or
6 may send the parties written notice of the Internet address of a
7 website at which the registry is maintained and may be accessed.
8 The parties shall attempt to select an arbitrator from the
9 registry.

10 (b) Not later than the 20th day after the date the parties
11 receive the copy of the registry or notice of the Internet address
12 of the registry website, the appraisal district shall notify the
13 State Property Tax Board [~~comptroller~~] that:

14 (1) the parties have selected an arbitrator and
15 request that the board [~~comptroller~~] appoint the selected
16 arbitrator; or

17 (2) the parties were unable to select an arbitrator
18 and request the board [~~comptroller~~] to appoint an arbitrator.

19 (c) On receipt of notice from the appraisal district under
20 Subsection (b), the State Property Tax Board [~~comptroller~~] shall:

21 (1) appoint:

22 (A) the arbitrator selected under Subsection
23 (b)(1), if applicable; or

24 (B) any arbitrator included in the board's
25 [~~comptroller's~~] registry, if Subsection (b)(2) applies; and

26 (2) send notice to the arbitrator appointed,
27 requesting that the arbitrator conduct the arbitration.

1 (d) If the arbitrator appointed is unable or unwilling to
2 conduct the arbitration for any reason, the arbitrator shall
3 promptly notify the State Property Tax Board [~~comptroller~~] that the
4 arbitrator does not accept the appointment and state the reason.
5 The board [~~comptroller~~] shall appoint a substitute arbitrator
6 promptly after receipt of the notice.

7 SECTION 2.85. Sections 41A.09(a), (c), (d), and (e), Tax
8 Code, are amended to read as follows:

9 (a) Not later than the 20th day after the date the hearing
10 under Section 41A.08 is concluded, the arbitrator shall make an
11 arbitration award and deliver a copy of the award to the property
12 owner, appraisal district, and State Property Tax Board
13 [~~comptroller~~].

14 (c) If the arbitrator determines that the appraised or
15 market value, as applicable, of the property that is the subject of
16 the appeal is nearer to the property owner's opinion of the
17 appraised or market value, as applicable, of the property as stated
18 in the request for binding arbitration submitted under Section
19 41A.03 than the value determined by the appraisal review board:

20 (1) the State Property Tax Board [~~comptroller~~], on
21 receipt of a copy of the award, shall refund the property owner's
22 arbitration deposit, less the amount retained by the board
23 [~~comptroller~~] under Section 41A.05(b);

24 (2) the appraisal district, on receipt of a copy of the
25 award, shall pay the arbitrator's fee; and

26 (3) the chief appraiser shall correct the appraised or
27 market value, as applicable, of the property as shown in the

1 appraisal roll to reflect the arbitrator's determination.

2 (d) If the arbitrator determines that the appraised or
3 market value, as applicable, of the property that is the subject of
4 the appeal is not nearer to the property owner's opinion of the
5 appraised or market value, as applicable, of the property as stated
6 in the request for binding arbitration submitted under Section
7 41A.03 than the value determined by the appraisal review board:

8 (1) the State Property Tax Board [~~comptroller~~], on
9 receipt of a copy of the award, shall:

10 (A) pay the arbitrator's fee out of the owner's
11 arbitration deposit; and

12 (B) refund to the owner the owner's arbitration
13 deposit, less the arbitrator's fee and the amount retained by the
14 board [~~comptroller~~] under Section 41A.05(b); and

15 (2) the chief appraiser shall correct the appraised or
16 market value, as applicable, of the property as shown in the
17 appraisal roll to reflect the arbitrator's determination if the
18 value as determined by the arbitrator is less than the value as
19 determined by the appraisal review board.

20 (e) The State Property Tax Board [~~comptroller~~] by rule may
21 prescribe a standard form for an award and may require arbitrators
22 to use the award form when making awards under this chapter.

23 SECTION 2.86. Section 41A.10(b), Tax Code, is amended to
24 read as follows:

25 (b) A property owner may not file an appeal under this
26 chapter if the taxes on the property subject to the appeal are
27 delinquent. An arbitrator who determines that the taxes on the

1 property subject to an appeal are delinquent shall dismiss the
2 pending appeal with prejudice. If an appeal is dismissed under this
3 subsection, the State Property Tax Board [~~comptroller~~] shall refund
4 the property owner's arbitration deposit, less the amount retained
5 by the board [~~comptroller~~] under Section 41A.05(b).

6 SECTION 2.87. Section 41A.12, Tax Code, is amended to read
7 as follows:

8 Sec. 41A.12. USE OF PROPERTIES AS SAMPLES. An arbitrator's
9 determination of market value under this chapter is the market
10 value of the property subject to the appeal for the purposes of the
11 study conducted under Section 5.23 [~~403.302, Government Code~~].

12 SECTION 2.88. Section 41A.13, Tax Code, is amended to read
13 as follows:

14 Sec. 41A.13. RULES. The State Property Tax Board
15 [~~comptroller~~] may adopt rules necessary to implement and administer
16 this chapter.

17 SECTION 2.89. Section 42.01(a), Tax Code, is amended to
18 read as follows:

19 (a) A property owner is entitled to appeal:

20 (1) an order of the appraisal review board
21 determining:

22 (A) a protest by the property owner as provided
23 by Subchapter C of Chapter 41;

24 (B) a determination of an appraisal review board
25 on a motion filed under Section 25.25;

26 (C) a determination of an appraisal review board
27 that the property owner has forfeited the right to a final

1 determination of a motion filed under Section 25.25 or of a protest
2 under Section 41.411 for failing to comply with the prepayment
3 requirements of Section 25.26 or 41.4115, as applicable; or

4 (D) a determination of an appraisal review board
5 of eligibility for a refund requested under Section 23.1243; or

6 (2) an order of the State Property Tax Board
7 [~~comptroller~~] issued as provided by Subchapter B, Chapter 24,
8 apportioning among the counties the appraised value of railroad
9 rolling stock owned by the property owner.

10 SECTION 2.90. Section 42.03, Tax Code, is amended to read as
11 follows:

12 Sec. 42.03. RIGHT OF APPEAL BY COUNTY. A county may appeal
13 the order of the State Property Tax Board [~~comptroller~~] issued as
14 provided by Subchapter B, Chapter 24 of this code apportioning
15 among the counties the appraised value of railroad rolling stock.

16 SECTION 2.91. Section 42.05, Tax Code, is amended to read as
17 follows:

18 Sec. 42.05. STATE PROPERTY TAX BOARD [~~COMPTROLLER~~] AS
19 PARTY. The State Property Tax Board [~~comptroller~~] is an opposing
20 party in an appeal by:

21 (1) a property owner of an order of the board
22 [~~comptroller~~] determining a protest of the appraisal, interstate
23 allocation, or intrastate apportionment of transportation business
24 intangibles; or

25 (2) a county or a property owner of an order of the
26 board [~~comptroller~~] apportioning among the counties the appraised
27 value of railroad rolling stock.

1 SECTION 2.92. Sections 42.06(a), (b), and (c), Tax Code,
2 are amended to read as follows:

3 (a) To exercise the party's right to appeal an order of an
4 appraisal review board, a party other than a property owner must
5 file written notice of appeal within 15 days after the date the
6 party receives the notice required by Section 41.47 or, in the case
7 of a taxing unit, by Section 41.07 that the order appealed has been
8 issued. To exercise the right to appeal an order of the State
9 Property Tax Board [~~comptroller~~], a party other than a property
10 owner must file written notice of appeal within 15 days after the
11 date the party receives the board's [~~comptroller's~~] order. A
12 property owner is not required to file a notice of appeal under this
13 section.

14 (b) A party required to file a notice of appeal under this
15 section other than a chief appraiser who appeals an order of an
16 appraisal review board shall file the notice with the chief
17 appraiser of the appraisal district for which the appraisal review
18 board is established. A chief appraiser who appeals an order of an
19 appraisal review board shall file the notice with the appraisal
20 review board. A party who appeals an order of the State Property Tax
21 Board [~~comptroller~~] shall file the notice with that board [~~the~~
22 ~~comptroller~~].

23 (c) If the chief appraiser, a taxing unit, or a county
24 appeals, the chief appraiser, if the appeal is of an order of the
25 appraisal review board, or the State Property Tax Board
26 [~~comptroller~~], if the appeal is of an order of the State Property
27 Tax Board [~~comptroller~~], shall deliver a copy of the notice to the

1 property owner whose property is involved in the appeal within 10
2 days after the date the notice is filed.

3 SECTION 2.93. Section 42.21(b), Tax Code, is amended to
4 read as follows:

5 (b) A petition for review brought under Section 42.02 must
6 be brought against the owner of the property involved in the appeal.
7 A petition for review brought under Section 42.031 must be brought
8 against the appraisal district and against the owner of the
9 property involved in the appeal. A petition for review brought
10 under Section 42.01(a)(2) or 42.03 must be brought against the
11 State Property Tax Board [~~comptroller~~]. Any other petition for
12 review under this chapter must be brought against the appraisal
13 district. A petition for review may not be brought against the
14 appraisal review board. An appraisal district may hire an attorney
15 that represents the district to represent the appraisal review
16 board established for the district to file an answer and obtain a
17 dismissal of a suit filed against the appraisal review board in
18 violation of this subsection.

19 SECTION 2.94. Section 42.22, Tax Code, as amended by
20 Chapters 667 (S.B. 548) and 1033 (H.B. 301), Acts of the 73rd
21 Legislature, Regular Session, 1993, is reenacted and amended to
22 read as follows:

23 Sec. 42.22. VENUE. Venue is in the county in which the
24 appraisal review board that issued the order appealed is located,
25 except as provided by Section 42.221. Venue is in Travis County if
26 the order appealed was issued by the State Property Tax Board
27 [~~comptroller~~].

1 SECTION 2.95. Section 42.23(b), Tax Code, is amended to
2 read as follows:

3 (b) The court may not admit in evidence the fact of prior
4 action by the appraisal review board or State Property Tax Board
5 [~~comptroller~~], except to the extent necessary to establish its
6 jurisdiction.

7 SECTION 2.96. Section 42.26(c), Tax Code, is amended to
8 read as follows:

9 (c) For purposes of establishing the median level of
10 appraisal under Subsection (a)(1), the median level of appraisal in
11 the appraisal district as determined by the State Property Tax
12 Board [~~comptroller~~] under Section 5.10 is admissible as evidence of
13 the median level of appraisal of a reasonable and representative
14 sample of properties in the appraisal district for the year of the
15 board's [~~comptroller's~~] determination, subject to the Texas Rules
16 of Evidence and the Texas Rules of Civil Procedure.

17 SECTION 2.97. Section 42.28, Tax Code, is amended to read as
18 follows:

19 Sec. 42.28. APPEAL OF DISTRICT COURT JUDGMENT. A party may
20 appeal the final judgment of the district court as provided by law
21 for appeal of civil suits generally, except that an appeal bond is
22 not required of the chief appraiser, the county, the State Property
23 Tax Board [~~comptroller~~], or the commissioners court.

24 SECTION 2.98. Sections 42.43(g) and (i), Tax Code, are
25 amended to read as follows:

26 (g) If a form prescribed by the State Property Tax Board
27 [~~comptroller~~] under Subsection (i) is filed with a taxing unit

1 before the 21st day after the final determination of an appeal that
2 requires a refund be made, the taxing unit shall send the refund to
3 the person and address designated on the form.

4 (i) The State Property Tax Board [~~comptroller~~] shall
5 prescribe the form necessary to allow a property owner to designate
6 the person to whom a refund must be sent. The board [~~comptroller~~]
7 shall include on the form a space for the property owner to
8 designate to whom and where the refund must be sent and provide
9 options to mail the refund to:

10 (1) the property owner;

11 (2) the business office of the property owner's
12 attorney of record in the appeal; or

13 (3) any other individual and address designated by the
14 property owner.

15 SECTION 2.99. Section 43.01, Tax Code, is amended to read as
16 follows:

17 Sec. 43.01. AUTHORITY TO BRING SUIT. A taxing unit may sue
18 the appraisal district that appraises property for the unit to
19 compel the appraisal district to comply with the provisions of this
20 title, rules of the State Property Tax Board [~~comptroller~~], or
21 other applicable law.

22 SECTION 2.100. Section 111.00455(b), Tax Code, is amended
23 to read as follows:

24 (b) The following are not contested cases under Subsection
25 (a) and Section 2003.101, Government Code:

26 (1) a show cause hearing or any hearing not related to
27 the collection, receipt, administration, or enforcement of the

1 amount of a tax or fee imposed, or the penalty or interest
2 associated with that amount, except for a hearing under Section
3 151.157(f), 151.1575(c), 151.712(g), 154.1142, or 155.0592;

4 (2) a property value study hearing under Subchapter B
5 [~~M~~], Chapter 5 [~~403, Government Code~~];

6 (3) a hearing in which the issue relates to:

7 (A) Chapters 72-75, Property Code;

8 (B) forfeiture of a right to do business;

9 (C) a certificate of authority;

10 (D) articles of incorporation;

11 (E) a penalty imposed under Section 151.703(d);

12 (F) the refusal or failure to settle under
13 Section 111.101; or

14 (G) a request for or revocation of an exemption
15 from taxation; and

16 (4) any other hearing not related to the collection,
17 receipt, administration, or enforcement of the amount of a tax or
18 fee imposed, or the penalty or interest associated with that
19 amount.

20 SECTION 2.101. Section 111.0081(c), Tax Code, is amended to
21 read as follows:

22 (c) The amount of a determination made under this code is
23 due and payable 20 days after a [~~comptroller's~~] decision of the
24 comptroller or the State Property Tax Board, as applicable, in a
25 redetermination hearing becomes final. If the amount of the
26 determination is not paid within 20 days after the day the decision
27 became final, a penalty of 10 percent of the amount of the

1 determination, exclusive of penalties and interest, shall be added.

2 SECTION 2.102. Section [111.009](#), Tax Code, is amended by
3 amending Subsections (a) and (d) and adding Subsection (a-1) to
4 read as follows:

5 (a) Except as provided by Subsection (a-1), a ~~[A]~~ person
6 having a direct interest in a determination may petition the
7 comptroller for a redetermination.

8 (a-1) A person having a direct interest in a determination
9 under Section [313.0276](#) may petition the State Property Tax Board
10 for a redetermination.

11 (d) An order or decision of the comptroller or State
12 Property Tax Board, as applicable, on a petition for
13 redetermination becomes final 20 days after service on the
14 petitioner of the notice of the order or decision.

15 SECTION 2.103. Section [311.011](#)(h), Tax Code, is amended to
16 read as follows:

17 (h) Unless specifically provided otherwise in the plan, all
18 amounts contained in the project plan or reinvestment zone
19 financing plan, including amounts of expenditures relating to
20 project costs and amounts relating to participation by taxing
21 units, are considered estimates and do not act as a limitation on
22 the described items, but the amounts contained in the project plan
23 or reinvestment zone financing plan may not vary materially from
24 the estimates. This subsection may not be construed to increase the
25 amount of any reduction under Section [5.23\(d\)\(4\)](#) [~~[403.302\(d\)\(4\)](#)~~,
26 ~~Government Code~~], in the total taxable value of the property in a
27 school district that participates in the zone as computed under

1 Section 5.23(d) [~~403.302(d) of that code~~].

2 SECTION 2.104. Section 311.013(n), Tax Code, is amended to
3 read as follows:

4 (n) This subsection applies only to a school district whose
5 taxable value computed under Section 5.23(d) [~~403.302(d),~~
6 ~~Government Code,~~] is reduced in accordance with Subdivision (4) of
7 that subsection. In addition to the amount otherwise required to be
8 paid into the tax increment fund, the district shall pay into the
9 fund an amount equal to the amount by which the amount of taxes the
10 district would have been required to pay into the fund in the
11 current year if the district levied taxes at the rate the district
12 levied in 2005 exceeds the amount the district is otherwise
13 required to pay into the fund in the year of the reduction. This
14 additional amount may not exceed the amount the school district
15 receives in state aid for the current tax year under Section
16 42.2514, Education Code. The school district shall pay the
17 additional amount after the district receives the state aid to
18 which the district is entitled for the current tax year under
19 Section 42.2514, Education Code.

20 SECTION 2.105. Section 311.016(b), Tax Code, is amended to
21 read as follows:

22 (b) The municipality or county shall send a copy of a report
23 made under this section to the State Property Tax Board
24 [~~comptroller~~].

25 SECTION 2.106. Section 311.0163(a), Tax Code, is amended to
26 read as follows:

27 (a) Not later than December 31 of each even-numbered year,

1 the State Property Tax Board [~~comptroller~~] shall submit a report to
2 the legislature and to the governor on reinvestment zones
3 designated under this chapter and on project plans and reinvestment
4 zone financing plans adopted under this chapter.

5 SECTION 2.107. Section 311.019, Tax Code, is amended to
6 read as follows:

7 Sec. 311.019. CENTRAL REGISTRY. (a) The State Property Tax
8 Board [~~comptroller~~] shall maintain a central registry of:

- 9 (1) reinvestment zones designated under this chapter;
10 (2) project plans and reinvestment zone financing
11 plans adopted under this chapter; and
12 (3) annual reports submitted under Section 311.016.

13 (b) A municipality or county that designates a reinvestment
14 zone or approves a project plan or reinvestment zone financing plan
15 under this chapter shall deliver to the State Property Tax Board
16 [~~comptroller~~] before April 1 of the year following the year in which
17 the zone is designated or the plan is approved a report containing:

- 18 (1) a general description of each zone, including:
19 (A) the size of the zone;
20 (B) the types of property located in the zone;
21 (C) the duration of the zone; and
22 (D) the guidelines and criteria established for
23 the zone under Section 311.005;

24 (2) a copy of each project plan or reinvestment zone
25 financing plan adopted; and

26 (3) any other information required by the board
27 [~~comptroller~~] to administer this section [~~and Subchapter F, Chapter~~

1 ~~111~~].

2 (c) A municipality or county that amends or modifies a
3 project plan or reinvestment zone financing plan adopted under this
4 chapter shall deliver a copy of the amendment or modification to the
5 State Property Tax Board [~~comptroller~~] before April 1 of the year
6 following the year in which the plan was amended or modified.

7 SECTION 2.108. Section 311.020, Tax Code, is amended to
8 read as follows:

9 Sec. 311.020. STATE ASSISTANCE. (a) On request of the
10 governing body of a municipality or county or of the presiding
11 officer of the governing body, the State Property Tax Board
12 [~~comptroller~~] may provide assistance to a municipality or county
13 relating to the administration of this chapter.

14 (b) The economic development and tourism division of the
15 governor's office [~~Texas Department of Economic Development~~] and
16 the State Property Tax Board [~~comptroller~~] may provide technical
17 assistance to a municipality or county regarding:

18 (1) the designation of reinvestment zones under this
19 chapter; and

20 (2) the adoption and execution of project plans or
21 reinvestment zone financing plans under this chapter.

22 SECTION 2.109. Section 312.005, Tax Code, is amended to
23 read as follows:

24 Sec. 312.005. STATE ADMINISTRATION. (a) The State
25 Property Tax Board [~~comptroller~~] shall maintain a central registry
26 of reinvestment zones designated under this chapter and of ad
27 valorem tax abatement agreements executed under this chapter. The

1 chief appraiser of each appraisal district that appraises property
2 for a taxing unit that has designated a reinvestment zone or
3 executed a tax abatement agreement under this chapter shall deliver
4 to the board [~~comptroller~~] before July 1 of the year following the
5 year in which the zone is designated or the agreement is executed a
6 report providing the following information:

7 (1) for a reinvestment zone, a general description of
8 the zone, including its size, the types of property located in it,
9 its duration, and the guidelines and criteria established for the
10 reinvestment zone under Section 312.002, including subsequent
11 amendments and modifications of the guidelines or criteria;

12 (2) a copy of each tax abatement agreement to which a
13 taxing unit that participates in the appraisal district is a party;
14 and

15 (3) any other information required by the board
16 [~~comptroller~~] to administer this section [~~and Subchapter F, Chapter~~
17 ~~111~~].

18 (b) The State Property Tax Board [~~comptroller~~] may provide
19 assistance to a taxing unit on request of its governing body or the
20 presiding officer of its governing body relating to the
21 administration of this chapter. The economic development and
22 tourism division of the governor's office [~~Texas Department of~~
23 ~~Commerce~~] and the State Property Tax Board [~~comptroller~~] may
24 provide technical assistance to a local governing body regarding
25 the designation of reinvestment zones, the adoption of tax
26 abatement guidelines, and the execution of tax abatement
27 agreements.

1 (c) Not later than December 31 of each even-numbered year,
2 the State Property Tax Board [~~comptroller~~] shall submit a report to
3 the legislature and to the governor on reinvestment zones
4 designated under this chapter and on tax abatement agreements
5 adopted under this chapter, including a summary of the information
6 reported under this section.

7 SECTION 2.110. Section 313.004, Tax Code, is amended to
8 read as follows:

9 Sec. 313.004. LEGISLATIVE INTENT. It is the intent of the
10 legislature in enacting this chapter that:

11 (1) economic development decisions involving school
12 district taxes should occur at the local level with oversight by the
13 state and should be consistent with identifiable statewide economic
14 development goals;

15 (2) this chapter should not be construed or
16 interpreted to allow:

17 (A) property owners to pool investments to create
18 sufficiently large investments to qualify for an ad valorem tax
19 benefit provided by this chapter;

20 (B) an applicant for an ad valorem tax benefit
21 provided by this chapter to assert that jobs will be eliminated if
22 certain investments are not made if the assertion is not true; or

23 (C) an entity not subject to the tax imposed by
24 Chapter 171 to receive an ad valorem tax benefit provided by this
25 chapter;

26 (3) in implementing this chapter, school districts
27 should:

1 (A) strictly interpret the criteria and
2 selection guidelines provided by this chapter; and

3 (B) approve only those applications for an ad
4 valorem tax benefit provided by this chapter that:

5 (i) enhance the local community;

6 (ii) improve the local public education
7 system;

8 (iii) create high-paying jobs; and

9 (iv) advance the economic development goals
10 of this state; and

11 (4) in implementing this chapter, the board
12 [~~comptroller~~] should:

13 (A) strictly interpret the criteria and
14 selection guidelines provided by this chapter; and

15 (B) issue certificates for limitations on
16 appraised value only for those applications for an ad valorem tax
17 benefit provided by this chapter that:

18 (i) create high-paying jobs;

19 (ii) provide a net benefit to the state over
20 the long term; and

21 (iii) advance the economic development
22 goals of this state.

23 SECTION 2.111. Section 313.005, Tax Code, is amended to
24 read as follows:

25 Sec. 313.005. DEFINITIONS. (a) Unless this chapter
26 defines a word or phrase used in this chapter, Section 1.04 or any
27 other section of Title 1 or this title that defines the word or

1 phrase or ascribes a meaning to the word or phrase applies to the
2 word or phrase used in this chapter.

3 (b) In this chapter, "board" means the State Property Tax
4 Board.

5 SECTION 2.112. Section 313.022(b), Tax Code, is amended to
6 read as follows:

7 (b) For purposes of determining the required minimum amount
8 of a qualified investment under Section 313.021(2)(A)(iv)(a), and
9 the minimum amount of a limitation on appraised value under Section
10 313.027(b), school districts to which this subchapter applies are
11 categorized according to the taxable value of property in the
12 district for the preceding tax year determined under Subchapter B
13 [~~M~~], Chapter 5 [~~403, Government Code~~], as follows:

14 CATEGORY TAXABLE VALUE OF PROPERTY

- | | | |
|----|-----|---|
| 15 | I | \$10 billion or more |
| 16 | II | \$1 billion or more but less than \$10 billion |
| 17 | III | \$500 million or more but less than \$1 billion |
| 18 | IV | \$100 million or more but less than \$500 million |
| 19 | V | less than \$100 million |

20 SECTION 2.113. Sections 313.025(a), (a-1), (b), (b-1), (c),
21 (d), (d-1), (e), (h), and (i), Tax Code, are amended to read as
22 follows:

23 (a) The owner or lessee of, or the holder of another
24 possessory interest in, any qualified property described by Section
25 313.021(2)(A), (B), or (C) may apply to the governing body of the
26 school district in which the property is located for a limitation on
27 the appraised value for school district maintenance and operations

1 ad valorem tax purposes of the person's qualified property. An
2 application must be made on the form prescribed by the board
3 [~~comptroller~~] and include the information required by the board
4 [~~comptroller~~], and it must be accompanied by:

5 (1) the application fee established by the governing
6 body of the school district;

7 (2) information sufficient to show that the real and
8 personal property identified in the application as qualified
9 property meets the applicable criteria established by Section
10 313.021(2); and

11 (3) any information required by the board
12 [~~comptroller~~] for the purposes of Section 313.026.

13 (a-1) Within seven days of the receipt of each document, the
14 school district shall submit to the board [~~comptroller~~] a copy of
15 the application and the proposed agreement between the applicant
16 and the school district. If the applicant submits an economic
17 analysis of the proposed project to the school district, the
18 district shall submit a copy of the analysis to the board
19 [~~comptroller~~]. In addition, the school district shall submit to
20 the board [~~comptroller~~] any subsequent revision of or amendment to
21 any of those documents within seven days of its receipt. The board
22 [~~comptroller~~] shall publish each document received from the school
23 district under this subsection on the board's [~~comptroller's~~]
24 Internet website. If the school district maintains a generally
25 accessible Internet website, the district shall provide on its
26 website a link to the location of those documents posted on the
27 board's [~~comptroller's~~] website in compliance with this subsection.

1 This subsection does not require the board [~~comptroller~~] to post
2 information that is confidential under Section 313.028.

3 (b) The governing body of a school district is not required
4 to consider an application for a limitation on appraised value. If
5 the governing body of the school district elects to consider an
6 application, the governing body shall deliver a copy of the
7 application to the board [~~comptroller~~] and request that the board
8 [~~comptroller~~] conduct an economic impact evaluation of the
9 investment proposed by the application. The board [~~comptroller~~]
10 shall conduct or contract with a third person to conduct the
11 economic impact evaluation, which shall be completed and provided
12 to the governing body of the school district, along with the board's
13 [~~comptroller's~~] certificate or written explanation under
14 Subsection (d), as soon as practicable but not later than the 90th
15 day after the date the board [~~comptroller~~] receives the
16 application. The governing body shall provide to the board
17 [~~comptroller~~] or to a third person contracted by the board
18 [~~comptroller~~] to conduct the economic impact evaluation any
19 requested information. A methodology to allow comparisons of
20 economic impact for different schedules of the addition of
21 qualified investment or qualified property may be developed as part
22 of the economic impact evaluation. The governing body shall
23 provide a copy of the economic impact evaluation to the applicant on
24 request. The board [~~comptroller~~] may charge the applicant a fee
25 sufficient to cover the costs of providing the economic impact
26 evaluation. The governing body of a school district shall approve
27 or disapprove an application not later than the 150th day after the

1 date the application is filed, unless the economic impact
2 evaluation has not been received or an extension is agreed to by the
3 governing body and the applicant.

4 (b-1) The board [~~comptroller~~] shall promptly deliver a copy
5 of the application to the Texas Education Agency. The Texas
6 Education Agency shall determine the effect that the applicant's
7 proposal will have on the number or size of the school district's
8 instructional facilities and submit a written report containing the
9 agency's determination to the school district. The governing body
10 of the school district shall provide any requested information to
11 the Texas Education Agency. Not later than the 45th day after the
12 date the Texas Education Agency receives the application, the Texas
13 Education Agency shall make the required determination and submit
14 the agency's written report to the governing body of the school
15 district.

16 (c) In determining whether to approve an application, the
17 governing body of the school district is entitled to request and
18 receive assistance from:

- 19 (1) the board [~~comptroller~~];
20 (2) the Texas Economic Development and Tourism Office;
21 (3) the Texas Workforce Investment Council; and
22 (4) the Texas Workforce Commission.

23 (d) Not later than the 90th day after the date the board
24 [~~comptroller~~] receives the copy of the application, the board
25 [~~comptroller~~] shall issue a certificate for a limitation on
26 appraised value of the property and provide the certificate to the
27 governing body of the school district or provide the governing body

1 a written explanation of the board's [~~comptroller's~~] decision not
2 to issue a certificate.

3 (d-1) The governing body of a school district may not
4 approve an application unless the board [~~comptroller~~] submits to
5 the governing body a certificate for a limitation on appraised
6 value of the property.

7 (e) Before approving or disapproving an application under
8 this subchapter that the governing body of the school district
9 elects to consider, the governing body must make a written finding
10 as to any criteria considered by the board [~~comptroller~~] in
11 conducting the economic impact evaluation under Section 313.026.
12 The governing body shall deliver a copy of those findings to the
13 applicant.

14 (h) After receiving a copy of the application, the board
15 [~~comptroller~~] shall determine whether the property meets the
16 requirements of Section 313.024 for eligibility for a limitation on
17 appraised value under this subchapter. The board [~~comptroller~~]
18 shall notify the governing body of the school district of the
19 board's [~~comptroller's~~] determination and provide the applicant an
20 opportunity for a hearing before the determination becomes final.
21 A hearing under this subsection is a contested case hearing and
22 shall be conducted by the State Office of Administrative Hearings
23 in the manner provided by Section 2003.101, Government Code. The
24 applicant has the burden of proof on each issue in the hearing. The
25 applicant may seek judicial review of the board's [~~comptroller's~~]
26 determination in a Travis County district court under the
27 substantial evidence rule as provided by Subchapter G, Chapter

1 2001, Government Code.

2 (i) If the board's [~~comptroller's~~] determination under
3 Subsection (h) that the property does not meet the requirements of
4 Section 313.024 for eligibility for a limitation on appraised value
5 under this subchapter becomes final, the board [~~comptroller~~] is not
6 required to provide an economic impact evaluation of the
7 application or to submit a certificate for a limitation on
8 appraised value of the property or a written explanation of the
9 decision not to issue a certificate, and the governing body of the
10 school district may not grant the application.

11 SECTION 2.114. Section 313.026, Tax Code, is amended to
12 read as follows:

13 Sec. 313.026. ECONOMIC IMPACT EVALUATION. (a) The
14 economic impact evaluation of the application must include any
15 information the board [~~comptroller~~] determines is necessary or
16 helpful to:

17 (1) the governing body of the school district in
18 determining whether to approve the application under Section
19 313.025; or

20 (2) the board [~~comptroller~~] in determining whether to
21 issue a certificate for a limitation on appraised value of the
22 property under Section 313.025.

23 (b) Except as provided by Subsections (c) and (d), the
24 board's [~~comptroller's~~] determination whether to issue a
25 certificate for a limitation on appraised value under this chapter
26 for property described in the application shall be based on the
27 economic impact evaluation described by Subsection (a) and on any

1 other information available to the board [~~comptroller~~], including
2 information provided by the governing body of the school district.

3 (c) The board [~~comptroller~~] may not issue a certificate for
4 a limitation on appraised value under this chapter for property
5 described in an application unless the board [~~comptroller~~]
6 determines that:

7 (1) the project proposed by the applicant is
8 reasonably likely to generate, before the 25th anniversary of the
9 beginning of the limitation period, tax revenue, including state
10 tax revenue, school district maintenance and operations ad valorem
11 tax revenue attributable to the project, and any other tax revenue
12 attributable to the effect of the project on the economy of the
13 state, in an amount sufficient to offset the school district
14 maintenance and operations ad valorem tax revenue lost as a result
15 of the agreement; and

16 (2) the limitation on appraised value is a determining
17 factor in the applicant's decision to invest capital and construct
18 the project in this state.

19 (d) The board [~~comptroller~~] shall state in writing the basis
20 for the determinations made under Subsections (c)(1) and (2).

21 (e) The applicant may submit information to the board
22 [~~comptroller~~] that would provide a basis for an affirmative
23 determination under Subsection (c)(2).

24 (f) Notwithstanding Subsections (c) and (d), if the board
25 [~~comptroller~~] makes a qualitative determination that other
26 considerations associated with the project result in a net positive
27 benefit to the state, the board [~~comptroller~~] may issue the

1 certificate.

2 SECTION 2.115. Section 313.0265, Tax Code, is amended to
3 read as follows:

4 Sec. 313.0265. DISCLOSURE OF APPRAISED VALUE LIMITATION
5 INFORMATION. (a) The board [~~comptroller~~] shall post on the board's
6 [~~comptroller's~~] Internet website each document or item of
7 information the board [~~comptroller~~] designates as substantive
8 before the 15th day after the date the document or item of
9 information was received or created. Each document or item of
10 information must continue to be posted until the appraised value
11 limitation expires.

12 (b) The board [~~comptroller~~] shall designate the following
13 as substantive:

14 (1) each application requesting a limitation on
15 appraised value; and

16 (2) the economic impact evaluation made in connection
17 with the application.

18 (c) If a school district maintains a generally accessible
19 Internet website, the district shall maintain a link on its
20 Internet website to the area of the board's [~~comptroller's~~]
21 Internet website where information on each of the district's
22 agreements to limit appraised value is maintained.

23 SECTION 2.116. Section 313.027(f), Tax Code, is amended to
24 read as follows:

25 (f) In addition, the agreement:

26 (1) must incorporate each relevant provision of this
27 subchapter and, to the extent necessary, include provisions for the

1 protection of future school district revenues through the
2 adjustment of the minimum valuations, the payment of revenue
3 offsets, and other mechanisms agreed to by the property owner and
4 the school district;

5 (2) may provide that the property owner will protect
6 the school district in the event the district incurs extraordinary
7 education-related expenses related to the project that are not
8 directly funded in state aid formulas, including expenses for the
9 purchase of portable classrooms and the hiring of additional
10 personnel to accommodate a temporary increase in student enrollment
11 attributable to the project;

12 (3) must require the property owner to maintain a
13 viable presence in the school district for at least five years after
14 the date the limitation on appraised value of the owner's property
15 expires;

16 (4) must provide for the termination of the agreement,
17 the recapture of ad valorem tax revenue lost as a result of the
18 agreement if the owner of the property fails to comply with the
19 terms of the agreement, and payment of a penalty or interest, or
20 both, on that recaptured ad valorem tax revenue;

21 (5) may specify any conditions the occurrence of which
22 will require the district and the property owner to renegotiate all
23 or any part of the agreement;

24 (6) must specify the ad valorem tax years covered by
25 the agreement; and

26 (7) must be in a form approved by the board
27 [~~comptroller~~].

1 SECTION 2.117. Section 313.0275(d), Tax Code, is amended to
2 read as follows:

3 (d) In the event of a casualty loss that prevents a person
4 from complying with Subsection (a), the person may request and the
5 board [~~comptroller~~] may grant a waiver of the penalty imposed under
6 Subsection (b).

7 SECTION 2.118. Sections 313.0276(a), (b), (c), (d), (g),
8 (j), (k), (l), and (m), Tax Code, are amended to read as follows:

9 (a) The board [~~comptroller~~] shall conduct an annual review
10 and issue a determination as to whether a person with whom a school
11 district has entered into an agreement under this chapter satisfied
12 in the preceding year the requirements of this chapter regarding
13 the creation of the required number of qualifying jobs. If the
14 board [~~comptroller~~] makes an adverse determination in the review,
15 the board [~~comptroller~~] shall notify the person of the cause of the
16 adverse determination and the corrective measures necessary to
17 remedy the determination.

18 (b) If a person who receives an adverse determination fails
19 to remedy the determination following notification of the
20 determination and the board [~~comptroller~~] makes an adverse
21 determination with respect to the person's compliance in the
22 following year, the person must submit to the board [~~comptroller~~] a
23 plan for remedying the determination and certify the person's
24 intent to fully implement the plan not later than December 31 of the
25 year in which the determination is made.

26 (c) If a person who receives an adverse determination under
27 Subsection (b) fails to comply with that subsection following

1 notification of the determination and receives an adverse
2 determination in the following year, the board [~~comptroller~~] shall
3 impose a penalty on the person. The penalty is in an amount equal to
4 the amount computed by:

5 (1) subtracting from the number of qualifying jobs
6 required to be created the number of qualifying jobs actually
7 created; and

8 (2) multiplying the amount computed under Subdivision
9 (1) by the average annual wage for all jobs in the county during the
10 most recent four quarters for which data is available.

11 (d) Notwithstanding Subsection (c), if a person receives an
12 adverse determination and the board [~~comptroller~~] has previously
13 imposed a penalty on the person under this section one or more
14 times, the board [~~comptroller~~] shall impose a penalty on the person
15 in an amount equal to the amount computed by multiplying the amount
16 computed under Subsection (c)(1) by an amount equal to twice the
17 amount computed under Subsection (c)(2).

18 (g) An adverse determination under this section is a
19 deficiency determination under Section 111.008. The board shall
20 report a penalty under this section to the comptroller. The [A
21 penalty imposed under this section is an amount the] comptroller is
22 required to collect, receive, or administer the amount of the
23 penalty imposed under this section, [or enforce,] and the
24 determination is subject to the payment and redetermination
25 requirements of Sections 111.0081 and 111.009.

26 (j) If the board [~~comptroller~~] imposes a penalty on a person
27 under this section three times, the board [~~comptroller~~] may rescind

1 the agreement between the person and the school district under this
2 chapter.

3 (k) A person may contest a determination by the board
4 [~~comptroller~~] to rescind an agreement between the person and a
5 school district under this chapter pursuant to Subsection (j) by
6 filing suit against the board [~~comptroller~~] and the attorney
7 general. The district courts of Travis County have exclusive,
8 original jurisdiction of a suit brought under this subsection.
9 This subsection prevails over a provision of Chapter 25, Government
10 Code, to the extent of any conflict.

11 (l) If a person files suit under Subsection (k) and the
12 board's [~~comptroller's~~] determination to rescind the agreement is
13 upheld on appeal, the person shall pay to the board [~~comptroller~~]
14 any tax that would have been due and payable to the school district
15 during the pendency of the appeal, including statutory interest and
16 penalties imposed on delinquent taxes under Sections [111.060](#) and
17 [111.061](#).

18 (m) The board [~~comptroller~~] shall transfer any [~~deposit a~~]
19 penalty collected under this section, including any interest and
20 penalty applicable to the penalty, to the comptroller who shall
21 deposit it to the credit of the foundation school fund.

22 SECTION 2.119. Section [313.028](#), Tax Code, is amended to
23 read as follows:

24 Sec. 313.028. CERTAIN BUSINESS INFORMATION CONFIDENTIAL.
25 Information provided to a school district in connection with an
26 application for a limitation on appraised value under this
27 subchapter that describes the specific processes or business

1 activities to be conducted or the specific tangible personal
2 property to be located on real property covered by the application
3 shall be segregated in the application from other information in
4 the application and is confidential and not subject to public
5 disclosure unless the governing body of the school district
6 approves the application. Other information in the custody of a
7 school district or the board [~~comptroller~~] in connection with the
8 application, including information related to the economic impact
9 of a project or the essential elements of eligibility under this
10 chapter, such as the nature and amount of the projected investment,
11 employment, wages, and benefits, may not be considered confidential
12 business information if the governing body of the school district
13 agrees to consider the application. Information in the custody of a
14 school district or the board [~~comptroller~~] if the governing body
15 approves the application is not confidential under this section.

16 SECTION 2.120. Section 313.031(a), Tax Code, is amended to
17 read as follows:

18 (a) The board [~~comptroller~~] shall:

19 (1) adopt rules and forms necessary for the
20 implementation and administration of this chapter, including rules
21 for determining whether a property owner's property qualifies as a
22 qualified investment under Section 313.021(1); and

23 (2) provide without charge one copy of the rules and
24 forms to any school district and to any person who states that the
25 person intends to apply for a limitation on appraised value under
26 this subchapter.

27 SECTION 2.121. Sections 313.032(a), (b-1), (c), and (d),

1 Tax Code, are amended to read as follows:

2 (a) Before the beginning of each regular session of the
3 legislature, the board [~~comptroller~~] shall submit to the lieutenant
4 governor, the speaker of the house of representatives, and each
5 other member of the legislature a report on the agreements entered
6 into under this chapter that includes:

7 (1) an assessment of the following with regard to the
8 agreements entered into under this chapter, considered in the
9 aggregate:

10 (A) the total number of jobs created, direct and
11 otherwise, in this state;

12 (B) the total effect on personal income, direct
13 and otherwise, in this state;

14 (C) the total amount of investment in this state;

15 (D) the total taxable value of property on the
16 tax rolls in this state, including property for which the
17 limitation period has expired;

18 (E) the total value of property not on the tax
19 rolls in this state as a result of agreements entered into under
20 this chapter; and

21 (F) the total fiscal effect on the state and
22 local governments; and

23 (2) an assessment of the progress of each agreement
24 made under this chapter that states for each agreement:

25 (A) the number of qualifying jobs each recipient
26 of a limitation on appraised value committed to create;

27 (B) the number of qualifying jobs each recipient

1 created;

2 (C) the total amount of wages and the median wage
3 of the new qualifying jobs each recipient created;

4 (D) the amount of the qualified investment each
5 recipient committed to spend or allocate for each project;

6 (E) the amount of the qualified investment each
7 recipient spent or allocated for each project;

8 (F) the market value of the qualified property of
9 each recipient as determined by the applicable chief appraiser,
10 including property that is no longer eligible for a limitation on
11 appraised value under the agreement;

12 (G) the limitation on appraised value for the
13 qualified property of each recipient;

14 (H) the dollar amount of the taxes that would
15 have been imposed on the qualified property if the property had not
16 received a limitation on appraised value; and

17 (I) the dollar amount of the taxes imposed on the
18 qualified property.

19 (b-1) In preparing the portion of the report described by
20 Subsection (a)(1), the board [~~comptroller~~] may use standard
21 economic estimation techniques, including economic multipliers.

22 (c) The portion of the report described by Subsection (a)(2)
23 must be based on data certified to the board [~~comptroller~~] by each
24 recipient or former recipient of a limitation on appraised value
25 under this chapter.

26 (d) The board [~~comptroller~~] may require a recipient or
27 former recipient of a limitation on appraised value under this

1 chapter to submit, on a form the board [~~comptroller~~] provides,
2 information required to complete the report.

3 SECTION 2.122. Section 313.033, Tax Code, is amended to
4 read as follows:

5 Sec. 313.033. REPORT ON COMPLIANCE WITH JOB-CREATION
6 REQUIREMENTS. Each recipient of a limitation on appraised value
7 under this chapter shall submit to the board [~~comptroller~~] an
8 annual report on a form provided by the board [~~comptroller~~] that
9 provides information sufficient to document the number of
10 qualifying jobs created.

11 SECTION 2.123. Sections 313.051(a) and (a-3), Tax Code, are
12 amended to read as follows:

13 (a) In this section, "strategic investment area" means an
14 area the board [~~comptroller~~] determines under Subsection (a-3) is:

15 (1) a county within this state with unemployment above
16 the state average and per capita income below the state average;

17 (2) an area within this state that is a federally
18 designated urban enterprise community or an urban enhanced
19 enterprise community; or

20 (3) a defense economic readjustment zone designated
21 under Chapter 2310, Government Code.

22 (a-3) Not later than September 1 of each year, the board
23 [~~comptroller~~] shall determine areas that qualify as a strategic
24 investment area using the most recently completed full calendar
25 year data available on that date and, not later than October 1,
26 shall publish a list and map of the designated areas. A
27 determination under this subsection is effective for the following

1 tax year for purposes of this subchapter.

2 SECTION 2.124. Section 313.052, Tax Code, is amended to
3 read as follows:

4 Sec. 313.052. CATEGORIZATION OF SCHOOL DISTRICTS. For
5 purposes of determining the required minimum amount of a qualified
6 investment under Section 313.021(2)(A)(iv)(a) and the minimum
7 amount of a limitation on appraised value under this subchapter,
8 school districts to which this subchapter applies are categorized
9 according to the taxable value of industrial property in the
10 district for the preceding tax year determined under Subchapter B
11 [~~M~~], Chapter 5 [~~403, Government Code~~], as follows:

12 CATEGORY TAXABLE VALUE OF INDUSTRIAL PROPERTY

- | | | |
|----|-----|--|
| 13 | I | \$200 million or more |
| 14 | II | \$90 million or more but less than \$200 million |
| 15 | III | \$1 million or more but less than \$90 million |
| 16 | IV | \$100,000 or more but less than \$1 million |
| 17 | V | less than \$100,000 |

18 SECTION 2.125. Section 7.062(a), Education Code, is amended
19 to read as follows:

20 (a) In this section, "wealth per student" means a school
21 district's taxable value of property as determined under Subchapter
22 B [~~M~~], Chapter 5 [~~403~~], Tax [~~Government~~] Code, or, if applicable,
23 Section 42.2521, divided by the district's average daily attendance
24 as determined under Section 42.005.

25 SECTION 2.126. Section 13.051(c), Education Code, is
26 amended to read as follows:

27 (c) Territory that does not have residents may be detached

1 from a school district and annexed to another school district if:

2 (1) the total taxable value of the property in the
3 territory according to the most recent certified appraisal roll for
4 each school district is not greater than:

5 (A) five percent of the district's taxable value
6 of all property in that district as determined under Subchapter B
7 [~~M~~], Chapter 5 [~~403~~], Tax [~~Government~~] Code; and

8 (B) \$5,000 property value per student in average
9 daily attendance as determined under Section 42.005; and

10 (2) the school district from which the property will
11 be detached does not own any real property located in the territory.

12 SECTION 2.127. Section 13.231(b), Education Code, is
13 amended to read as follows:

14 (b) In this section, "taxable value" has the meaning
15 assigned by Section 5.23 [~~403.302~~], Tax [~~Government~~] Code.

16 SECTION 2.128. Section 41.001(2), Education Code, is
17 amended to read as follows:

18 (2) "Wealth per student" means the taxable value of
19 property, as determined under Subchapter B [~~M~~], Chapter 5 [~~403~~],
20 Tax [~~Government~~] Code, divided by the number of students in
21 weighted average daily attendance.

22 SECTION 2.129. Section 41.002(f), Education Code, is
23 amended to read as follows:

24 (f) For purposes of Subsection (e), a school district's
25 effective tax rate is determined by dividing the total amount of
26 taxes collected by the district for the applicable school year less
27 any amounts paid into a tax increment fund under Chapter 311, Tax

1 Code, by the quotient of the district's taxable value of property,
2 as determined under Subchapter B [~~M~~], Chapter 5 [~~403~~], Tax
3 [~~Government~~] Code, divided by 100.

4 SECTION 2.130. Section 41.202(a), Education Code, is
5 amended to read as follows:

6 (a) For purposes of this subchapter, the taxable value of an
7 individual parcel or other item of property and the total taxable
8 value of property in a school district resulting from the
9 detachment of property from or annexation of property to that
10 district is determined by applying the appraisal ratio for the
11 appropriate category of property determined under Subchapter B [~~M~~],
12 Chapter 5 [~~403~~], Tax [~~Government~~] Code, for the preceding tax year
13 to the taxable value of the detached or annexed property determined
14 under Title 1, Tax Code, for the preceding tax year.

15 SECTION 2.131. Sections 42.252(a), (b), and (c), Education
16 Code, are amended to read as follows:

17 (a) Each school district's share of the Foundation School
18 Program is determined by the following formula:

19
$$\text{LFA} = \text{TR} \times \text{DPV}$$

20 where:

21 "LFA" is the school district's local share;

22 "TR" is a tax rate which for each hundred dollars of valuation
23 is an effective tax rate of the amount equal to the product of the
24 state compression percentage, as determined under Section 42.2516,
25 multiplied by the lesser of:

26 (1) \$1.50; or

27 (2) the maintenance and operations tax rate adopted by

1 the district for the 2005 tax year; and

2 "DPV" is the taxable value of property in the school district
3 for the preceding tax year determined under Subchapter B [~~M~~],
4 Chapter 5 [~~403~~], Tax [~~Government~~] Code.

5 (b) The commissioner shall adjust the values reported in the
6 official report of the State Property Tax Board [~~comptroller~~] as
7 required by Section 5.09(a), Tax Code, to reflect reductions in
8 taxable value of property resulting from natural or economic
9 disaster after January 1 in the year in which the valuations are
10 determined. The decision of the commissioner is final. An
11 adjustment does not affect the local fund assignment of any other
12 school district.

13 (c) Appeals of district values shall be held pursuant to
14 Section 5.24 [~~403.303~~], Tax [~~Government~~] Code.

15 SECTION 2.132. Sections 42.2522(a) and (d), Education Code,
16 are amended to read as follows:

17 (a) In any school year, the commissioner may not provide
18 funding under this chapter based on a school district's taxable
19 value of property computed in accordance with Section 5.23(d)(2)
20 [~~403.302(d)(2)~~], Tax [~~Government~~] Code, unless:

21 (1) funds are specifically appropriated for purposes
22 of this section; or

23 (2) the commissioner determines that the total amount
24 of state funds appropriated for purposes of the Foundation School
25 Program for the school year exceeds the amount of state funds
26 distributed to school districts in accordance with Section 42.253
27 based on the taxable values of property in school districts

1 computed in accordance with Section 5.23(d) [~~403.302(d)~~], Tax
 2 [~~Government~~] Code, without any deduction for residence homestead
 3 exemptions granted under Section 11.13(n), Tax Code.

4 (d) If the commissioner determines that the amount of funds
 5 available under Subsection (a)(1) or (2) does not at least equal the
 6 total amount of state funding to which districts would be entitled
 7 if state funding under this chapter were based on the taxable values
 8 of property in school districts computed in accordance with Section
 9 5.23(d)(2) [~~403.302(d)(2)~~], Tax [~~Government~~] Code, the
 10 commissioner may, to the extent necessary, provide state funding
 11 based on a uniform lesser fraction of the deduction under Section
 12 5.23(d)(2) [~~403.302(d)(2)~~], Tax [~~Government~~] Code.

13 SECTION 2.133. Section 42.254, Education Code, is amended
 14 to read as follows:

15 Sec. 42.254. ESTIMATES REQUIRED. (a) Not later than
 16 October 1 of each even-numbered year:

17 (1) the agency shall submit to the legislature an
 18 estimate of the tax rate and student enrollment of each school
 19 district for the following biennium; and

20 (2) the State Property Tax Board [~~comptroller~~] shall
 21 submit to the legislature an estimate of the total taxable value of
 22 all property in the state as determined under Subchapter B [~~M~~],
 23 Chapter 5 [~~403~~], Tax [~~Government~~] Code, for the following biennium.

24 (b) The agency and the State Property Tax Board
 25 [~~comptroller~~] shall update the information provided to the
 26 legislature under Subsection (a) not later than March 1 of each
 27 odd-numbered year.

1 SECTION 2.134. Section 42.257(a), Education Code, is
2 amended to read as follows:

3 (a) If the final determination of an appeal under Chapter
4 42, Tax Code, results in a reduction in the taxable value of
5 property that exceeds five percent of the total taxable value of
6 property in the school district for the same tax year determined
7 under Subchapter B [M], Chapter 5 [403], Tax [Government] Code, the
8 commissioner shall request the State Property Tax Board
9 [~~comptroller~~] to adjust its taxable property value findings for
10 that year consistent with the final determination of the appraisal
11 appeal.

12 SECTION 2.135. Section 42.259(a)(4), Education Code, is
13 amended to read as follows:

14 (4) "Wealth per student" means the taxable property
15 values reported by the State Property Tax Board [~~comptroller~~] to
16 the commissioner under Section 42.252 divided by the number of
17 students in average daily attendance.

18 SECTION 2.136. Section 42.302(a), Education Code, is
19 amended to read as follows:

20 (a) Each school district is guaranteed a specified amount
21 per weighted student in state and local funds for each cent of tax
22 effort over that required for the district's local fund assignment
23 up to the maximum level specified in this subchapter. The amount of
24 state support, subject only to the maximum amount under Section
25 42.303, is determined by the formula:

26
$$\text{GYA} = (\text{GL} \times \text{WADA} \times \text{DTR} \times 100) - \text{LR}$$

27 where:

1 "GYA" is the guaranteed yield amount of state funds to be
2 allocated to the district;

3 "GL" is the dollar amount guaranteed level of state and local
4 funds per weighted student per cent of tax effort, which is an
5 amount described by Subsection (a-1) or a greater amount for any
6 year provided by appropriation;

7 "WADA" is the number of students in weighted average daily
8 attendance, which is calculated by dividing the sum of the school
9 district's allotments under Subchapters B and C, less any allotment
10 to the district for transportation, any allotment under Section
11 42.158 or 42.160, and 50 percent of the adjustment under Section
12 42.102, by the basic allotment for the applicable year;

13 "DTR" is the district enrichment tax rate of the school
14 district, which is determined by subtracting the amounts specified
15 by Subsection (b) from the total amount of maintenance and
16 operations taxes collected by the school district for the
17 applicable school year and dividing the difference by the quotient
18 of the district's taxable value of property as determined under
19 Subchapter B [~~M~~], Chapter 5 [~~403~~], Tax [~~Government~~] Code, or, if
20 applicable, under Section 42.2521, divided by 100; and

21 "LR" is the local revenue, which is determined by multiplying
22 "DTR" by the quotient of the district's taxable value of property as
23 determined under Subchapter B [~~M~~], Chapter 5 [~~403~~], Tax
24 [~~Government~~] Code, or, if applicable, under Section 42.2521,
25 divided by 100.

26 SECTION 2.137. Section 46.003(a), Education Code, is
27 amended to read as follows:

1 (a) For each year, except as provided by Sections 46.005 and
2 46.006, a school district is guaranteed a specified amount per
3 student in state and local funds for each cent of tax effort, up to
4 the maximum rate under Subsection (b), to pay the principal of and
5 interest on eligible bonds issued to construct, acquire, renovate,
6 or improve an instructional facility. The amount of state support
7 is determined by the formula:

$$8 \quad \text{FYA} = (\text{FYL} \times \text{ADA} \times \text{BTR} \times 100) - (\text{BTR} \times (\text{DPV}/100))$$

9 where:

10 "FYA" is the guaranteed facilities yield amount of state
11 funds allocated to the district for the year;

12 "FYL" is the dollar amount guaranteed level of state and
13 local funds per student per cent of tax effort, which is \$35 or a
14 greater amount for any year provided by appropriation;

15 "ADA" is the greater of the number of students in average
16 daily attendance, as determined under Section 42.005, in the
17 district or 400;

18 "BTR" is the district's bond tax rate for the current year,
19 which is determined by dividing the amount budgeted by the district
20 for payment of eligible bonds by the quotient of the district's
21 taxable value of property as determined under Subchapter B ~~[M]~~,
22 Chapter 5 ~~[403]~~, Tax ~~[Government]~~ Code, or, if applicable, Section
23 42.2521, divided by 100; and

24 "DPV" is the district's taxable value of property as
25 determined under Subchapter B ~~[M]~~, Chapter 5 ~~[403]~~, Tax
26 ~~[Government]~~ Code, or, if applicable, Section 42.2521.

27 SECTION 2.138. Section 46.006(g), Education Code, is

1 amended to read as follows:

2 (g) In this section, "wealth per student" means a school
3 district's taxable value of property as determined under Subchapter
4 B [~~M~~], Chapter 5 [~~403~~], Tax [~~Government~~] Code, or, if applicable,
5 Section 42.2521, divided by the district's average daily attendance
6 as determined under Section 42.005.

7 SECTION 2.139. Section 46.032(a), Education Code, is
8 amended to read as follows:

9 (a) Each school district is guaranteed a specified amount
10 per student in state and local funds for each cent of tax effort to
11 pay the principal of and interest on eligible bonds. The amount of
12 state support, subject only to the maximum amount under Section
13 46.034, is determined by the formula:

$$14 \quad \text{EDA} = (\text{EDGL} \times \text{ADA} \times \text{EDTR} \times 100) - (\text{EDTR} \times (\text{DPV}/100))$$

15 where:

16 "EDA" is the amount of state funds to be allocated to the
17 district for assistance with existing debt;

18 "EDGL" is the dollar amount guaranteed level of state and
19 local funds per student per cent of tax effort, which is \$35 or a
20 greater amount for any year provided by appropriation;

21 "ADA" is the number of students in average daily attendance,
22 as determined under Section 42.005, in the district;

23 "EDTR" is the existing debt tax rate of the district, which is
24 determined by dividing the amount budgeted by the district for
25 payment of eligible bonds by the quotient of the district's taxable
26 value of property as determined under Subchapter B [~~M~~], Chapter 5
27 [~~403~~], Tax [~~Government~~] Code, or, if applicable, under Section

1 42.2521, divided by 100; and

2 "DPV" is the district's taxable value of property as
3 determined under Subchapter B [~~M~~], Chapter 5 [~~403~~], Tax
4 [~~Government~~] Code, or, if applicable, under Section 42.2521.

5 SECTION 2.140. The heading to Section 552.149, Government
6 Code, is amended to read as follows:

7 Sec. 552.149. EXCEPTION: CONFIDENTIALITY OF RECORDS OF
8 STATE PROPERTY TAX BOARD [~~COMPTROLLER~~] OR APPRAISAL DISTRICT
9 RECEIVED FROM PRIVATE ENTITY.

10 SECTION 2.141. Sections 552.149(a), (c), and (d),
11 Government Code, are amended to read as follows:

12 (a) Information relating to real property sales prices,
13 descriptions, characteristics, and other related information
14 received from a private entity by the State Property Tax Board
15 [~~comptroller~~] or the chief appraiser of an appraisal district under
16 Chapter 6, Tax Code, is excepted from the requirements of Section
17 552.021.

18 (c) Notwithstanding Subsection (a) or Section 5.25, Tax
19 Code [~~403.304~~], so as to assist a property owner or an appraisal
20 district in a protest filed under Section 5.24, Tax Code [~~403.303~~],
21 the property owner, the district, or an agent of the property owner
22 or district may, on request, obtain from the State Property Tax
23 Board [~~comptroller~~] any information, including confidential
24 information, obtained by the board [~~comptroller~~] in connection with
25 the board's [~~comptroller's~~] finding that is being protested.
26 Confidential information obtained by a property owner, an appraisal
27 district, or an agent of the property owner or district under this

1 subsection:

2 (1) remains confidential in the possession of the
3 property owner, district, or agent; and

4 (2) may not be disclosed to a person who is not
5 authorized to receive or inspect the information.

6 (d) Notwithstanding Subsection (a) or Section 5.25, Tax
7 Code [403.304], so as to assist a school district in the preparation
8 of a protest filed or to be filed under Section 5.24, Tax Code
9 [403.303], the school district or an agent of the school district
10 may, on request, obtain from the State Property Tax Board
11 ~~[comptroller]~~ or the appraisal district any information, including
12 confidential information, obtained by the board ~~[comptroller]~~ or
13 the appraisal district that relates to the appraisal of property
14 involved in the board's ~~[comptroller's]~~ finding that is being
15 protested. Confidential information obtained by a school district
16 or an agent of the school district under this subsection:

17 (1) remains confidential in the possession of the
18 school district or agent; and

19 (2) may not be disclosed to a person who is not
20 authorized to receive or inspect the information.

21 SECTION 2.142. Sections 825.405(h) and (i), Government
22 Code, are amended to read as follows:

23 (h) This section does not apply to state contributions for
24 members employed by a school district in a school year if the
25 district's effective tax rate for maintenance and operation
26 revenues for the tax year that ended in the preceding school year
27 equals or exceeds 125 percent of the statewide average effective

1 tax rate for school district maintenance and operation revenues for
2 that tax year. For a tax year, the statewide average effective tax
3 rate for school district maintenance and operation revenues is the
4 tax rate that, if applied to the statewide total appraised value of
5 taxable property for every school district in the state determined
6 under Section 5.23, Tax Code [403.302], would produce an amount
7 equal to the statewide total amount of maintenance and operation
8 taxes imposed in the tax year for every school district in the
9 state.

10 (i) Not later than the seventh day after the final date the
11 State Property Tax Board [~~comptroller~~] certifies to the
12 commissioner of education changes to the property value study
13 conducted under Subchapter B [4], Chapter 5, Tax Code [403], the
14 board [~~comptroller~~] shall certify to the Teacher Retirement System
15 of Texas:

16 (1) the effective tax rate for school district
17 maintenance and operation revenues for each school district in the
18 state for the immediately preceding tax year; and

19 (2) the statewide average effective tax rate for
20 school district maintenance and operation revenues for the
21 immediately preceding tax year.

22 SECTION 2.143. Section 61.040, Health and Safety Code, is
23 amended to read as follows:

24 Sec. 61.040. TAX INFORMATION. The State Property Tax Board
25 [~~comptroller~~] shall give the department information relating to:

26 (1) the taxable value of property taxable by each
27 county and each county's applicable general revenue tax levy for

1 the relevant period; and

2 (2) the amount of sales and use tax revenue received by
3 each county for the relevant period.

4 SECTION 2.144. Section [1151.1015](#), Occupations Code, is
5 amended to read as follows:

6 Sec. 1151.1015. ASSISTANCE FROM STATE PROPERTY TAX BOARD
7 [~~COMPTROLLER~~]. The State Property Tax Board [~~comptroller~~] shall
8 enter into a memorandum of understanding with the department under
9 which the board [~~comptroller~~] shall provide:

10 (1) information on the educational needs of and
11 opportunities for tax professionals;

12 (2) review and approval of all required educational
13 courses, examinations, and continuing education programs for
14 registrants;

15 (3) a copy of any report issued by the board
16 [~~comptroller~~] under Section [5.102](#), Tax Code, and if requested by
17 the department a copy of any work papers or other documents
18 collected or created in connection with a report issued under that
19 section; and

20 (4) information and assistance regarding
21 administrative proceedings conducted under the commission's rules
22 or this chapter.

23 SECTION 2.145. Sections [1151.1581](#)(b) and (e), Occupations
24 Code, are amended to read as follows:

25 (b) The State Property Tax Board [~~comptroller~~] must review
26 and approve all continuing education programs for registrants.

27 (e) The State Property Tax Board [~~comptroller~~] may set fees

1 for continuing education courses and providers of continuing
2 education courses in amounts reasonable and necessary to cover the
3 board's [~~comptroller's~~] costs in administering the board's
4 [~~comptroller's~~] duties under this section.

5 SECTION 2.146. Section 1151.161(c), Occupations Code, is
6 amended to read as follows:

7 (c) The department may accept, develop, or contract for the
8 examinations required by this section, including the
9 administration of the examinations. The State Property Tax Board
10 [~~comptroller~~] must approve the content of an examination accepted,
11 developed, or contracted for by the department. The department may
12 require a third-party vendor to collect a fee associated with the
13 examination directly from examinees.

14 SECTION 2.147. Section 1151.202(c), Occupations Code, is
15 amended to read as follows:

16 (c) Before imposing an administrative penalty under
17 Subchapter F, Chapter 51, against a registrant, the department must
18 consider evidence that the registrant:

19 (1) attempted in good faith to implement or execute a
20 law, policy, rule, order, budgetary restriction, or other
21 regulation provided by the laws of this state, the State Property
22 Tax Board [~~comptroller~~], or the governing body or the chief
23 administrator of the appraisal district or taxing jurisdiction that
24 employs the registrant;

25 (2) acted on the advice of counsel or the State
26 Property Tax Board [~~comptroller~~]; or

27 (3) had discretion over the matter on which the

1 complaint is based, if the complaint is based solely on grounds that
2 the registrant decided incorrectly or failed to exercise discretion
3 in favor of the complainant.

4 SECTION 2.148. Section 1151.204(c), Occupations Code, is
5 amended to read as follows:

6 (c) This section does not apply to:

7 (1) a matter referred to the department by the State
8 Property Tax Board [~~comptroller~~] under Section 5.102, Tax Code, or
9 a successor statute;

10 (2) a complaint concerning a registrant's failure to
11 comply with the registration and certification requirements of this
12 chapter; or

13 (3) a complaint concerning a newly appointed chief
14 appraiser's failure to complete the training program described by
15 Section 1151.164.

16 SECTION 2.149. Section 1152.204(c), Occupations Code, is
17 amended to read as follows:

18 (c) The commission may recognize an educational program or
19 course:

20 (1) related to property tax consulting services; and

21 (2) offered or sponsored by a public provider or a
22 recognized private provider, including:

23 (A) the State Property Tax Board [~~comptroller~~];

24 (B) the State Bar of Texas;

25 (C) the Texas Real Estate Commission;

26 (D) an institution of higher education that meets
27 program and accreditation standards comparable to those for public

1 institutions of higher education as determined by the Texas Higher
2 Education Coordinating Board; or

3 (E) a nonprofit and voluntary trade association,
4 institute, or organization:

5 (i) whose membership consists primarily of
6 persons who represent property owners in property tax or
7 transactional tax matters;

8 (ii) that has written experience and
9 examination requirements for membership or for granting
10 professional designation to its members; and

11 (iii) that subscribes to a code of
12 professional conduct or ethics.

13 ARTICLE 3. TRANSITION AND EFFECTIVE DATE

14 SECTION 3.01. (a) On January 1, 2016:

15 (1) the property tax assistance division of the office
16 of the comptroller of public accounts is abolished and all powers
17 and duties of the division are transferred to the State Property Tax
18 Board;

19 (2) all obligations, rights, contracts,
20 appropriations, records, and property of the property tax
21 assistance division of the office of the comptroller of public
22 accounts are transferred to the State Property Tax Board;

23 (3) a rule, policy, procedure, or decision of the
24 property tax assistance division of the office of the comptroller
25 of public accounts continues in effect as a rule, policy,
26 procedure, or decision of the State Property Tax Board, in
27 accordance with Subdivision (1) of this subsection, until

1 superseded by a later act of the State Property Tax Board; and

2 (4) a reference in law to the property tax assistance
3 division of the office of the comptroller of public accounts or to
4 the comptroller in a law concerning the former duties of the
5 division means the State Property Tax Board.

6 (b) The validity of a form adopted, contract or acquisition
7 made, proceeding begun, obligation incurred, right accrued, or
8 other action taken by or in connection with the authority of the
9 property tax assistance division of the office of the comptroller
10 of public accounts before it is abolished under Subsection (a) of
11 this section is not affected by this Act. To the extent those
12 actions continue to have any effect on or after January 1, 2016,
13 they are considered to be actions of the State Property Tax Board.

14 (c) The State Property Tax Board shall reimburse the general
15 revenue fund with all money received from appraisal districts or
16 property owners as reimbursement for the board's cost of conducting
17 performance audits.

18 (d) All appropriations made to the office of the comptroller
19 of public accounts to conduct the duties of the property tax
20 assistance division of that office are transferred to the State
21 Property Tax Board.

22 (e) As soon as practicable after the effective date of this
23 Act, but not later than October 1, 2015, the governor shall make
24 appointments to the State Property Tax Board. In making those
25 appointments, the governor shall appoint three members to terms
26 expiring March 1, 2017, two to terms expiring March 1, 2019, and two
27 to terms expiring March 1, 2021.

1 (f) The governor or the person appointed by the governor to
2 be the chair of the State Property Tax Board may designate a person
3 to perform ministerial duties necessary for posting notice of and
4 holding the first meeting of the board.

5 SECTION 3.02. (a) Not later than November 1, 2015, the
6 property tax assistance division of the office of the comptroller
7 of public accounts and the State Property Tax Board shall adopt a
8 comprehensive transition plan to transfer the powers and duties of
9 the division to the board under this Act. The comprehensive
10 transition plan may include an agreement for the provision of
11 office space, utilities and other facility services, and support
12 services and for the transfer of information technology as
13 necessary or appropriate to effect the transfer of the powers and
14 duties of the division to the board.

15 (b) Otherwise confidential information shared between the
16 property tax assistance division of the office of the comptroller
17 of public accounts and the State Property Tax Board remains subject
18 to the same confidentiality requirements and legal restrictions on
19 access to the information that are imposed by law on the entity that
20 originally obtained or collected the information.

21 (c) Information described in Subsection (b) of this section
22 may be shared between the property tax assistance division of the
23 office of the comptroller of public accounts and the State Property
24 Tax Board without the consent of the person who is the subject of
25 the information.

26 SECTION 3.03. (a) Not later than December 1, 2015, the head
27 of the property tax assistance division of the office of the

1 comptroller of public accounts shall meet with the State Property
2 Tax Board to provide for the transfer of essential personnel to the
3 board.

4 (b) The division shall continue, as necessary, to perform
5 the duties and functions being transferred to the board until the
6 transfer of agency duties and functions is complete.

7 SECTION 3.04. The Comptroller's Appraisal Review Board
8 Manual is renamed the State Property Tax Board's Appraisal Review
9 Board Manual. Any references to the Comptroller's Appraisal Review
10 Board Manual mean the State Property Tax Board's Appraisal Review
11 Board Manual.

12 SECTION 3.05. This Act applies only to a tax year beginning
13 on or after the effective date of this Act.

14 SECTION 3.06. This Act takes effect September 1, 2015.