

By: Watson

S.B. No. 593

A BILL TO BE ENTITLED

AN ACT

1
2 relating to pretrial settlement discussions during a judicial
3 appeal of certain ad valorem tax determinations and the effect of
4 certain pretrial settlement offers on the calculation of an award
5 of attorney's fees in such an appeal.

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

7 SECTION 1. Subchapter B, Chapter 42, Tax Code, is amended by
8 adding Section 42.227 to read as follows:

9 Sec. 42.227. PRETRIAL SETTLEMENT DISCUSSIONS. (a) On
10 motion by a party to an appeal under this chapter for which a
11 discovery request to designate one or more expert witnesses is
12 made, the court shall enter an order requiring the parties to engage
13 in settlement discussions before the trial begins. The motion must
14 be made not later than the 210th day before the date the discovery
15 period in the appeal ends.

16 (b) If a motion is made under this section, the court shall
17 order the settlement discussions to be conducted not later than the
18 90th day after the date the motion is made. The court may provide in
19 the order that settlement discussions be conducted in a specific
20 manner, including as part of an informal settlement conference or
21 another form of alternative dispute resolution.

22 (c) Each party ordered to engage in settlement discussions
23 must make a good faith effort to resolve the matter under appeal
24 during the discussions.

1 SECTION 2. Section 42.29, Tax Code, is amended by adding
2 Subsection (c) to read as follows:

3 (c) This subsection applies only if the appraisal district
4 or the chief appraiser made a written settlement offer to the
5 property owner on or before the 135th day before the date the trial
6 began and a record of the offer was submitted to the court. For the
7 purposes of Subsections (a)(2) and (b)(2), the amount by which the
8 property owner's tax liability is reduced as a result of the appeal
9 is computed by subtracting the property owner's tax liability
10 resulting from the court's final determination of the appeal from
11 the property owner's tax liability that would have resulted had the
12 property owner accepted the most recent settlement offer meeting
13 the requirements of this subsection. This subsection may not be
14 construed to preclude a provision that waives attorney's fees or a
15 refund of interest from being included in a settlement offer.

16 SECTION 3. The change in law made by this Act to Section
17 42.29, Tax Code, applies only to an appeal filed under Chapter 42,
18 Tax Code, on or after the effective date of this Act. An appeal
19 filed under Chapter 42, Tax Code, before the effective date of this
20 Act is governed by the law in effect when the appeal was filed, and
21 the former law is continued in effect for that purpose.

22 SECTION 4. This Act takes effect immediately if it receives
23 a vote of two-thirds of all the members elected to each house, as
24 provided by Section 39, Article III, Texas Constitution. If this
25 Act does not receive the vote necessary for immediate effect, this
26 Act takes effect September 1, 2015.