

BILL ANALYSIS

Senate Research Center

S.B. 731
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Finance
6/13/2017
Enrolled

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

S.B. 731 allows more property owners to take their property tax protests to binding arbitration by qualifying more properties for arbitration.

Under current law, only residence homesteads (of any value) and non-homestead properties worth \$3 million or less can appeal a ruling of an appraisal review board to arbitration.

S.B. 731 raises this amount to \$5 million and adds a \$1,550 deposit to the system for other properties worth more than \$3 million but less than \$5 million.

S.B. 731 amends current law relating to the appeal through binding arbitration of certain appraisal review board orders.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 41A.01, Tax Code, to provide that a property owner, as an alternative to filing an appeal under Section 42.01 (Right of Appeal by Property Owner), is entitled to appeal through binding arbitration an appraisal review board (board) order determining a filed protest concerning the appraised or market value of property if the property qualifies as the owner's residence homestead, or the appraised or market value, as applicable, of the property as determined by the order is \$5 million or less, rather than \$3 million or less.

SECTION 2. Amends Section 41A.03(a), Tax Code, as follows:

(a) Requires a property owner, to appeal a board order, to file with the appraisal district not later than a certain day:

(1) makes no changes to this subdivision;

(2) an arbitration deposit made payable to the Texas comptroller of public accounts (comptroller) in the amount of:

(A) through (C) makes no changes to these paragraphs;

(D) and (E) makes nonsubstantive changes; or

(F) \$1,550, if the property does not qualify as the owner's residence homestead under Section 11.13 (Residence Homestead) and the appraised or market value, as applicable, of the property is more than \$3 million but not more than \$5 million, as determined by the order.

SECTION 3. Amends Section 41A.06(b), Tax Code, as follows:

(b) Requires a person, to initially qualify to serve as an arbitrator under this chapter (Appeal Through Binding Arbitration), to agree to conduct an arbitration for a fee that is not more than \$1,500, if the property does not qualify as the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is more than \$3 million but not more than \$5 million, as determined by the order. Makes nonsubstantive changes.

SECTION 4. Makes application of this Act prospective.

SECTION 5. Effective date: September 1, 2017.