

BILL ANALYSIS

S.B. 1286
By: Bettencourt
Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Interested parties raise concerns over the lack of specificity in the law regarding the presentation of evidence preserved on portable devices at appraisal review board hearings and concerns that certain individuals possess too many conflicts of interest when they serve as arbitrators in property tax appeals. S.B. 1286 seeks to address these concerns by amending the law regarding the system for protesting or appealing certain sales tax determinations.

CRIMINAL JUSTICE IMPACT

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

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the comptroller of public accounts in SECTION 1 of this bill.

ANALYSIS

S.B. 1286 amends the Tax Code to require the comptroller of public accounts by rule to prescribe the manner and form, including security requirements, in which a person must provide a copy of any written material or material preserved on a certain portable device that the person intends to offer or submit to the appraisal review board at a taxpayer protest hearing, which must allow the appraisal review board to retain the material as part of the board's hearing record, and specifications for the audiovisual equipment provided by an appraisal district for use by a property owner or the property owner's agent during the hearing. The bill requires the comptroller to adopt the rules not later than January 1, 2018. The bill removes language limiting the reproduction of a document or image designed to be maintained by the portable device to an electronic, magnetic, or digital reproduction and requires the chief appraiser and the property owner or the owner's agent to provide the copy of material in the manner and form prescribed by comptroller rule. The bill makes these provisions applicable only to a protest for which the notice of protest was filed by a property owner with the appraisal review board established for an appraisal district on or after January 1, 2018.

S.B. 1286 includes as a circumstance under which the comptroller is required to remove a person from the registry listing the qualified persons who have agreed to serve as arbitrators in property tax appeals through binding arbitration a determination of the comptroller by clear and convincing evidence that there is good cause to remove a person from the registry, including evidence of repeated bias or misconduct by the person while acting as an arbitrator.

S.B. 1286 removes and repeals provisions relating to the selection of an arbitrator by the parties to a request for binding arbitration and the comptroller's appointment of an arbitrator if the parties are unable to make a selection and instead requires the comptroller to appoint an eligible

arbitrator who is listed in the comptroller's registry and send notice to the appointed arbitrator requesting the individual to conduct the hearing on the arbitration. The bill sets out conditions of eligibility for appointment as an arbitrator and conditions under which a person is not eligible for such appointment. The bill prohibits the comptroller from appointing an arbitrator if the comptroller determines that there is good cause not to appoint the arbitrator, including information or evidence indicating repeated bias or misconduct by the person while acting as an arbitrator.

S.B. 1286 repeals Sections 41A.07(b) and (c), Tax Code.

EFFECTIVE DATE

September 1, 2017.