

By: Metcalf

H.B. No. 540

A BILL TO BE ENTITLED

AN ACT

relating to the award of attorney's fees in a judicial appeal of certain ad valorem tax determinations.

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

SECTION 1. Section 42.29, Tax Code, is amended to read as follows:

Sec. 42.29. ATTORNEY'S FEES. (a) A property owner who prevails in an appeal to the court under Section 42.25 or 42.26, in an appeal to the court of a determination of an appraisal review board on a motion filed under Section 25.25, or in an appeal to the court of a determination of an appraisal review board of a protest of the denial in whole or in part of an exemption under Section 11.17, 11.22, 11.23, 11.231, or 11.24 may be awarded reasonable attorney's fees. Except as provided by Subsection (c) and subject to Subsection (b), the [The] amount of the award may not exceed the greater of:

(1) \$15,000; or

(2) 20 percent of the total amount by which the property owner's tax liability is reduced as a result of the appeal.

(b) Except as provided by [~~Notwithstanding~~] Subsection (c) [~~(a)~~], the amount of an award of attorney's fees may not exceed the lesser of the following amounts if that amount is less than the amount determined under Subsection (a):

(1) \$100,000; or

1 (2) the total amount by which the property owner's tax
2 liability is reduced as a result of the appeal.

3 (c) The amount of an award of attorney's fees is not subject
4 to a limitation imposed by this section if:

5 (1) the appeal is under Section 42.25 or 42.26;

6 (2) the property owner claims the property as the
7 owner's residence homestead; and

8 (3) in each of the two preceding tax years:

9 (A) the property owner prevailed in an appeal
10 under either of those sections regarding the same property; and

11 (B) the amount of an award of attorney's fees to
12 the property owner was subject to a limitation imposed by this
13 section.

14 SECTION 2. The change in law made by this Act applies only
15 to an appeal under Chapter 42, Tax Code, that is filed on or after
16 the effective date of this Act. An appeal under Chapter 42, Tax
17 Code, that is filed before the effective date of this Act is
18 governed by the law in effect on the date the appeal is filed, and
19 the former law is continued in effect for that purpose.

20 SECTION 3. This Act takes effect September 1, 2017.