

By: Geren

H.B. No. 3168

A BILL TO BE ENTITLED

AN ACT

relating to ad valorem taxation; authorizing fees.

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

SECTION 1. Chapter 5, Tax Code, is amended by designating Sections 5.03, 5.04, 5.041, 5.042, 5.05, 5.06, 5.07, 5.08, 5.09, 5.091, 5.10, 5.102, 5.103, 5.12, 5.13, 5.14, and 5.16 as Subchapter A and adding a subchapter heading to read as follows:

SUBCHAPTER A. COMPTROLLER OF PUBLIC ACCOUNTS

SECTION 2. Section 5.041, Tax Code, is amended by amending Subsections (a), (d), and (e-1) and adding Subsection (i) to read as follows:

(a) The comptroller shall:

(1) in consultation with property owners, individuals engaged in the business of representing property owners in proceedings under this title, and chief appraisers, approve curricula and provide materials for use in training and educating members of an appraisal review board;

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

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

(4) establish and maintain a toll-free telephone

1 number that appraisal review board members may call for answers to
2 technical questions relating to the duties and responsibilities of
3 appraisal review board members and property appraisal issues; and

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

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

18 (e-1) In addition to the course established under
19 Subsection (a), the comptroller, in consultation with property
20 owners, individuals engaged in the business of representing
21 property owners in proceedings under this title, and chief
22 appraisers, shall approve curricula and provide materials for use
23 in a continuing education course for members of an appraisal review
24 board. The curricula and materials must include information
25 regarding:

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

- 1 (2) the appraisal of business personal property;
 - 2 (3) the determination of capitalization rates for
3 property appraisal purposes;
 - 4 (4) the duties of an appraisal review board;
 - 5 (5) the requirements regarding the independence of an
6 appraisal review board from the board of directors and the chief
7 appraiser and other employees of the appraisal district;
 - 8 (6) the prohibitions against ex parte communications
9 applicable to appraisal review board members;
 - 10 (7) the Uniform Standards of Professional Appraisal
11 Practice;
 - 12 (8) the duty of the appraisal district to substantiate
13 the district's determination of the value of property;
 - 14 (9) the requirements regarding the equal and uniform
15 appraisal of property;
 - 16 (10) the right of a property owner to protest the
17 appraisal of the property as provided by Chapter 41; and
 - 18 (11) a detailed explanation of each of the actions
19 described by Sections 25.25, 41.41(a), 41.411, 41.412, 41.413,
20 41.42, and 41.43 so that members are fully aware of each of the
21 grounds on which a property appraisal can be appealed.
- 22 (i) Notwithstanding Subsections (c) and (e-3), the
23 comptroller shall ensure that a course required by this section
24 includes at least one component in which property owners,
25 individuals engaged in the business of representing property owners
26 in proceedings under this title, and chief appraisers or other
27 representatives of an appraisal district or appraisal review board

1 are allowed to participate.

2 SECTION 3. Section 5.05, Tax Code, is amended by adding
3 Subsection (e) to read as follows:

4 (e) An appraisal review board shall comply with all
5 procedural requirements included in the Appraisal Review Board
6 Manual prepared and issued by the comptroller.

7 SECTION 4. Chapter 5, Tax Code, is amended by adding
8 Subchapter B to read as follows:

9 SUBCHAPTER B. OFFICE OF LOCAL PROPERTY TAX OMBUDSMAN

10 Sec. 5.051. DEFINITIONS. In this subchapter:

11 (1) "Complaint" means a complaint filed under Section
12 5.056.

13 (2) "Office" means the Office of Local Property Tax
14 Ombudsman.

15 (3) "Ombudsman" means the local property tax ombudsman
16 appointed under this subchapter.

17 Sec. 5.052. ESTABLISHMENT OF OFFICE. The Office of Local
18 Property Tax Ombudsman is established in the office of the
19 comptroller to resolve complaints involving alleged violations of
20 procedural requirements imposed by law, by comptroller rule, or by
21 the rules of procedure established by an appraisal review board
22 regarding the activities of an appraisal district, appraisal review
23 board, chief appraiser, or appraisal review board member under this
24 title.

25 Sec. 5.053. SUNSET PROVISION. The office is subject to
26 Chapter 325, Government Code (Texas Sunset Act). Unless continued
27 in existence as provided by that chapter, the office is abolished

1 and this subchapter expires on September 1, 2021.

2 Sec. 5.054. LOCAL PROPERTY TAX OMBUDSMAN. (a) The office is
3 headed by the local property tax ombudsman.

4 (b) The ombudsman is appointed by the comptroller with the
5 advice of the governor, lieutenant governor, and speaker of the
6 house of representatives.

7 (c) Appointment of the ombudsman shall be made without
8 regard to the race, color, disability, sex, religion, age, or
9 national origin of the appointee.

10 (d) The ombudsman serves a two-year term beginning on
11 February 1 of each even-numbered year.

12 (e) To be eligible for appointment as the ombudsman, an
13 individual must:

14 (1) be licensed to practice law in this state;

15 (2) have demonstrated a strong commitment to and
16 involvement in efforts to safeguard the rights of the public; and

17 (3) possess the knowledge and experience necessary to
18 practice effectively in property tax proceedings.

19 (f) An individual is not eligible for appointment as the
20 ombudsman if the individual or the individual's spouse:

21 (1) is employed by or participates in the management
22 of a business entity or other organization the employees of which
23 are regulated by the comptroller;

24 (2) is employed by an appraisal district or taxing
25 unit; or

26 (3) has during the preceding five-year period been a
27 member or employee of a law firm that rendered legal services to an

1 appraisal district, appraisal review board, or taxing unit.

2 Sec. 5.055. STAFF AND OFFICES. (a) The comptroller shall
3 provide the ombudsman with sufficient funds to employ the
4 professional and administrative staff necessary for the efficient
5 operation of the office.

6 (b) The comptroller shall provide the ombudsman with
7 sufficient office space, equipment, and supplies necessary for the
8 efficient operation of the office.

9 Sec. 5.056. FILING OF COMPLAINT. (a) A property owner may
10 file a written complaint with the office alleging that an appraisal
11 district, appraisal review board, chief appraiser, or appraisal
12 review board member has failed to comply with a procedural
13 requirement imposed by law, by comptroller rule, or by the rules of
14 procedure established by an appraisal review board regarding the
15 activities of an appraisal district, appraisal review board, chief
16 appraiser, or appraisal review board member under this title.

17 (b) A complaint filed under this section may allege the
18 violation of any procedural requirement described by Subsection
19 (a), including a complaint involving:

20 (1) the application of hearing procedures;

21 (2) the provision of a required notice;

22 (3) the scheduling of a hearing;

23 (4) the postponement of a hearing;

24 (5) the evidence presented at a hearing;

25 (6) the issuance of a subpoena;

26 (7) conflicts of interest;

27 (8) the selection of appraisal review board members;

1 (9) the assignment of protests to a panel of an
2 appraisal review board;

3 (10) the occurrence of an ex parte communication; and

4 (11) any other matter affecting a procedural matter or
5 right under this title.

6 (c) A complaint may not address a substantive issue or the
7 merits of a motion filed under Section 25.25 or a protest filed
8 under Chapter 41.

9 (d) The filing of a complaint or assertion that a complaint
10 will be filed is not a ground to postpone a hearing before an
11 appraisal review board.

12 Sec. 5.057. NOTICE OF COMPLAINT. (a) Not later than the
13 15th day after the date a complaint is filed, the office must notify
14 the chief appraiser of the appraisal district from which the
15 complaint was filed.

16 (b) The notice must be in writing, include a copy of the
17 complaint, and be sent by certified mail, return receipt requested.

18 Sec. 5.058. RESOLUTION OF COMPLAINT. (a) The ombudsman may
19 resolve a complaint through an alternative dispute resolution
20 process agreed to by the parties, including through mediation or
21 binding arbitration.

22 (b) The office may investigate a complaint and gather
23 information and documents necessary to resolve a complaint.

24 (c) The office shall encourage the parties to a complaint to
25 agree to a resolution of the complaint.

26 (d) The office may resolve a complaint without a hearing.

27 Sec. 5.059. OMBUDSMAN RULING. (a) The ombudsman shall

1 issue a ruling resolving a complaint.

2 (b) A ruling by the ombudsman must be in writing and may
3 provide for any appropriate remedy, including:

4 (1) dismissal of the complaint; and

5 (2) a public reprimand of an appraisal district,
6 appraisal review board, chief appraiser, appraisal review board
7 member, or other person.

8 (c) Not later than the third day after the date the
9 ombudsman issues the ruling under this section, the ombudsman shall
10 send notice of the ruling and a copy of the ruling to each party to
11 the complaint by certified mail, return receipt requested.

12 Sec. 5.060. APPEAL. (a) Except as provided by Subsection
13 (b), a party to a complaint resolved by the ombudsman under this
14 subchapter may appeal the ruling of the ombudsman to district
15 court.

16 (b) A party to a complaint resolved under this subchapter
17 through binding arbitration may not appeal the ruling.

18 (c) The appeal must be filed not later than the 60th day
19 after the date the ombudsman sends notice of the ruling to the
20 parties to the complaint under Section 5.059.

21 (d) Review by district court shall be de novo.

22 Sec. 5.061. COMPTROLLER RULES. The comptroller shall adopt
23 rules necessary to implement this subchapter, including rules
24 requiring and establishing filing and administrative fees
25 necessary to defray the costs to administer this subchapter.

26 SECTION 5. Section 6.41, Tax Code, is amended by amending
27 Subsections (b), (d-1), and (d-9) and adding Subsections (b-1),

1 (b-2), and (d-10) to read as follows:

2 (b) Except as provided by Subsection (b-1) or (b-2), an
3 appraisal review [The] board consists of three members.

4 (b-1) An appraisal [~~However, the~~] district board of
5 directors by resolution of a majority of the board's [~~its~~] members
6 may increase the size of the district's appraisal review board to
7 the number of members the board of directors considers appropriate.

8 (b-2) An appraisal district board of directors for a
9 district established in a county described by Subsection (d-1) by
10 resolution of a majority of the board's members shall increase the
11 size of the district's appraisal review board to the number of
12 members the board of directors considers appropriate to manage the
13 duties of the appraisal review board, including the duties of each
14 special panel established under Section 6.425.

15 (d-1) In a county with a population of 75,000 [~~120,000~~] or
16 more the members of the board are appointed by the local
17 administrative district judge under Subchapter D, Chapter 74,
18 Government Code, in the county in which the appraisal district is
19 established. All applications submitted to the appraisal district
20 or to the appraisal review board from persons seeking appointment
21 as a member of the appraisal review board shall be delivered to the
22 local administrative district judge. The appraisal district may
23 provide the local administrative district judge with information
24 regarding whether an applicant for appointment to or a member of the
25 board owes any delinquent ad valorem taxes to a taxing unit
26 participating in the appraisal district.

27 (d-9) In selecting individuals who are to serve as members

1 of the appraisal review board, the local administrative district
2 judge shall select an adequate number of qualified individuals to
3 permit the chairman of the appraisal review board to fill the
4 positions on each special panel established under Section 6.425.

5 (d-10) Upon selection of the individuals who are to serve as
6 members of the appraisal review board, the local administrative
7 district judge shall enter an appropriate order designating such
8 members and setting each member's respective term of office, as
9 provided elsewhere in this section.

10 SECTION 6. Section 6.412(d), Tax Code, is amended to read as
11 follows:

12 (d) A person is ineligible to serve on the appraisal review
13 board of an appraisal district established for a county with
14 ~~[having]~~ a population of 120,000 or more ~~[than 100,000]~~ if the
15 person:

16 (1) is a former member of the board of directors,
17 former officer, or former employee of the appraisal district;

18 (2) served as a member of the governing body or officer
19 of a taxing unit for which the appraisal district appraises
20 property, until the fourth anniversary of the date the person
21 ceased to be a member or officer; ~~[or]~~

22 (3) appeared before the appraisal review board for
23 compensation during the two-year period preceding the date the
24 person is appointed; or

25 (4) served for all or part of three previous terms as a
26 board member or auxiliary board member under former Section 6.414
27 on the appraisal review board.

1 SECTION 7. Section 6.42, Tax Code, is amended by amending
2 Subsections (a) and (c) and adding Subsection (d) to read as
3 follows:

4 (a) A majority of the appraisal review board constitutes a
5 quorum. The appraisal review board [~~of directors of the appraisal~~
6 ~~district~~] by resolution shall select a chairman and a secretary
7 from among its [~~the~~] members [~~of the appraisal review board~~]. The
8 appraisal review board [~~of directors of the appraisal district~~] is
9 encouraged to select as chairman [~~of the appraisal review board~~] a
10 member of the appraisal review board, if any, who has a background
11 in law and property appraisal.

12 (c) Members of the board are entitled to per diem in the
13 amount determined [~~set~~] by the comptroller [~~appraisal district~~
14 ~~budget~~] for each day the board meets and to reimbursement for actual
15 and necessary expenses incurred in the performance of board
16 functions [~~as provided by the district budget~~]. The comptroller may
17 provide that a member of a panel established under Section 6.425 is
18 entitled to a per diem in an amount greater than the amount of the
19 standard per diem determined by the comptroller. The comptroller
20 shall periodically pay to each member the amount to which the member
21 is entitled under this subsection. The comptroller shall make the
22 payment from funds provided by the appraisal district for which the
23 member's appraisal review board is established. The comptroller
24 shall establish separate bank accounts outside the state treasury
25 for the purposes of this subsection. The comptroller shall assess
26 the costs required to make payments under this subsection to each
27 appraisal district at least quarterly. The comptroller shall adopt

1 rules necessary to implement this subsection.

2 (d) The concurrence of a majority of the members of the
3 appraisal review board or a panel of the board present at a meeting
4 of the board or panel is sufficient for a recommendation,
5 determination, decision, or other action by the board or panel, and
6 the concurrence of more than a majority of the members of the board
7 or panel may not be required.

8 SECTION 8. Subchapter C, Chapter 6, Tax Code, is amended by
9 adding Section 6.425 to read as follows:

10 Sec. 6.425. SPECIAL APPRAISAL REVIEW BOARD PANELS IN
11 CERTAIN DISTRICTS. (a) This section applies only to the appraisal
12 review board of an appraisal district established for a county with
13 a population of 120,000 or more.

14 (b) The appraisal review board shall establish a separate
15 special panel for each of the following classifications of property
16 to conduct protest hearings under Chapter 41 relating to property
17 included in that classification:

18 (1) real property interests in oil, gas, or other
19 minerals;

20 (2) commercial real and personal property with an
21 appraised value of \$50 million or more;

22 (3) real and personal property of utilities;

23 (4) industrial and manufacturing real and personal
24 property; and

25 (5) multifamily residential real property.

26 (c) The chairman of the appraisal review board may establish
27 additional special panels described by this section to conduct

1 protest hearings relating to property included in a classification
2 described by Subsection (b) if the chairman determines that
3 additional panels are necessary.

4 (d) Each special panel described by this section consists of
5 three members of the appraisal review board appointed by the
6 chairman of the board.

7 (e) To be eligible to be appointed to a special panel
8 described by this section, a member of the appraisal review board
9 must:

- 10 (1) hold a juris doctor or equivalent degree;
- 11 (2) hold a master of business administration degree;
- 12 (3) be licensed as a certified public accountant under
13 Chapter 901, Occupations Code;
- 14 (4) be accredited by the American Society of
15 Appraisers as an accredited senior appraiser;
- 16 (5) possess an MAI professional designation from the
17 Appraisal Institute;
- 18 (6) possess a Certified Assessment Evaluator (CAE)
19 professional designation from the International Association of
20 Assessing Officers; or
- 21 (7) have at least 20 years of experience in property
22 tax appraisal or consulting.

23 (f) Notwithstanding Subsection (e), the chairman of the
24 appraisal review board may appoint to a special panel described by
25 this section a member of the appraisal review board who does not
26 meet the qualifications prescribed by that subsection if:

- 27 (1) the number of persons appointed to the board by the

1 local administrative district judge who meet those qualifications
2 is not sufficient to fill the positions on each special panel; and
3 (2) the board member being appointed to the panel:
4 (A) holds a bachelor's degree in any field; or
5 (B) is licensed as a real estate broker or sales
6 agent under Chapter 1101, Occupations Code.

7 SECTION 9. Section 25.19, Tax Code, is amended by amending
8 Subsections (a) and (g) and adding Subsection (b-3) to read as
9 follows:

10 (a) By April 1 or as soon thereafter as practicable [~~if the~~
11 ~~property is a single-family residence that qualifies for an~~
12 ~~exemption under Section 11.13, or by May 1 or as soon thereafter as~~
13 ~~practicable in connection with any other property], the chief
14 appraiser shall deliver a clear and understandable written notice
15 to a property owner of the appraised value of the property owner's
16 property if:~~

17 (1) the appraised value of the property is greater
18 than it was in the preceding year;

19 (2) the appraised value of the property is greater
20 than the value rendered by the property owner;

21 (3) the property was not on the appraisal roll in the
22 preceding year; or

23 (4) an exemption or partial exemption approved for the
24 property for the preceding year was canceled or reduced for the
25 current year.

26 (b-3) This subsection applies only to an appraisal district
27 established for a county with a population of 120,000 or more. In

1 addition to the information required by Subsection (b), the chief
2 appraiser shall state in a notice of appraised value of property
3 included in a classification described by Section 6.425(b) that the
4 property owner has the right to have a protest relating to the
5 property heard by a special panel of the appraisal review board.

6 (g) By April 1 or as soon thereafter as practicable [~~if the~~
7 ~~property is a single-family residence that qualifies for an~~
8 ~~exemption under Section 11.13, or by May 1 or as soon thereafter as~~
9 ~~practicable in connection with any other property]~~, the chief
10 appraiser shall deliver a written notice to the owner of each
11 property not included in a notice required to be delivered under
12 Subsection (a), if the property was reappraised in the current tax
13 year, if the ownership of the property changed during the preceding
14 year, or if the property owner or the agent of a property owner
15 authorized under Section 1.111 makes a written request for the
16 notice. The chief appraiser shall separate real from personal
17 property and include in the notice for each property:

18 (1) the appraised value of the property in the
19 preceding year;

20 (2) the appraised value of the property for the
21 current year and the kind of each partial exemption, if any,
22 approved for the current year;

23 (3) a detailed explanation of the time and procedure
24 for protesting the value; and

25 (4) the date and place the appraisal review board will
26 begin hearing protests.

27 SECTION 10. Section 25.25(d), Tax Code, is amended to read

1 as follows:

2 (d) At any time prior to the date the taxes become
3 delinquent, a property owner or the chief appraiser may file a
4 motion with the appraisal review board to change the appraisal roll
5 to correct an error, including an error regarding the unequal
6 appraisal or excessive market value of a property, that resulted in
7 an incorrect appraised value for the owner's property. However,
8 the error may not be corrected unless it resulted in an appraised
9 value that exceeds by more than one-third the correct appraised
10 value. If the appraisal roll is changed under this subsection, the
11 property owner must pay to each affected taxing unit a
12 late-correction penalty equal to 10 percent of the amount of taxes
13 as calculated on the basis of the corrected appraised value.
14 Payment of the late-correction penalty is secured by the lien that
15 attaches to the property under Section 32.01 and is subject to
16 enforced collection under Chapter 33. The roll may not be changed
17 under this subsection if:

18 (1) the property was the subject of a protest brought
19 by the property owner under Chapter 41, a hearing on the protest was
20 conducted in which the property owner offered evidence or argument,
21 and the appraisal review board made a determination of the protest
22 on the merits; or

23 (2) the appraised value of the property was
24 established as a result of a written agreement between the property
25 owner or the owner's agent and the appraisal district.

26 SECTION 11. Section 41.03(a), Tax Code, is amended to read
27 as follows:

1 (a) A taxing unit is entitled to challenge before the
2 appraisal review board:

3 (1) ~~[the level of appraisals of any category of~~
4 ~~property in the district or in any territory in the district, but~~
5 ~~not the appraised value of a single taxpayer's property,~~

6 ~~[(2)]~~ an exclusion of property from the appraisal
7 records;

8 (2) ~~[(3)]~~ a grant in whole or in part of a partial
9 exemption;

10 (3) ~~[(4)]~~ a determination that land qualifies for
11 appraisal as provided by Subchapter C, D, E, or H, Chapter 23; or

12 (4) ~~[(5)]~~ failure to identify the taxing unit as one in
13 which a particular property is taxable.

14 SECTION 12. Section 41.11(a), Tax Code, is amended to read
15 as follows:

16 (a) Not later than the date the appraisal review board
17 approves the appraisal records as provided by Section 41.12, the
18 secretary of the board shall deliver written notice to a property
19 owner of any change in the records that is ordered by the board as
20 provided by this subchapter and that will result in an increase in
21 the tax liability of the property owner. An owner who receives a
22 notice as provided by this section shall be entitled to protest such
23 action as provided by Section 41.44(a)(2) ~~[41.44(a)(3)]~~.

24 SECTION 13. Sections 41.44(a), (c), and (d), Tax Code, are
25 amended to read as follows:

26 (a) Except as provided by Subsections (b), ~~[(b-1)],~~ (c),
27 (c-1), and (c-2), to be entitled to a hearing and determination of a

1 protest, the property owner initiating the protest must file a
2 written notice of the protest with the appraisal review board
3 having authority to hear the matter protested:

4 (1) before June [~~May~~] 1 or not later than the 30th day
5 after the date that notice to the property owner was delivered to
6 the property owner as provided by Section 25.19, [~~if the property is~~
7 ~~a single-family residence that qualifies for an exemption under~~
8 ~~Section 11.13,~~] whichever is later;

9 (2) [~~before June 1 or not later than the 30th day after~~
10 ~~the date that notice was delivered to the property owner as provided~~
11 ~~by Section 25.19 in connection with any other property, whichever~~
12 ~~is later,~~

13 [~~(3)~~] in the case of a protest of a change in the
14 appraisal records ordered as provided by Subchapter A of this
15 chapter or by Chapter 25, not later than the 30th day after the date
16 notice of the change is delivered to the property owner;

17 (3) [~~(4)~~] in the case of a determination that a change
18 in the use of land appraised under Subchapter C, D, E, or H, Chapter
19 23, has occurred, not later than the 30th day after the date the
20 notice of the determination is delivered to the property owner; or

21 (4) [~~(5)~~] in the case of a determination of
22 eligibility for a refund under Section 23.1243, not later than the
23 30th day after the date the notice of the determination is delivered
24 to the property owner.

25 (c) A property owner who files notice of a protest
26 authorized by Section 41.411 is entitled to a hearing and
27 determination of the protest if the property owner files the notice

1 prior to the date the taxes on the property to which the notice
2 applies become delinquent. An owner of land who files a notice of
3 protest under Subsection (a)(3) [~~(a)(4)~~] is entitled to a hearing
4 and determination of the protest without regard to whether the
5 appraisal records are approved.

6 (d) A notice of protest is sufficient if it identifies the
7 protesting property owner, including a person claiming an ownership
8 interest in the property even if that person is not listed on the
9 appraisal records as an owner of the property, identifies the
10 property that is the subject of the protest, and indicates apparent
11 dissatisfaction with some determination of the appraisal office.
12 The notice need not be on an official form, but the comptroller
13 shall prescribe a form that provides for more detail about the
14 nature of the protest. The form must permit a property owner to
15 include each property in the appraisal district that is the subject
16 of a protest. The form must permit a property owner to request that
17 the protest be heard by a special panel established under Section
18 6.425 if the protest will be determined by an appraisal review board
19 to which that section applies and the property is included in a
20 classification described by that section. The comptroller, each
21 appraisal office, and each appraisal review board shall make the
22 forms readily available and deliver one to a property owner on
23 request.

24 SECTION 14. Section 41.45, Tax Code, is amended by amending
25 Subsection (d) and adding Subsections (d-1), (d-2), and (d-3) to
26 read as follows:

27 (d) This subsection does not apply to a special panel

1 established under Section 6.425. An appraisal review board
2 consisting of more than three members may sit in panels of not fewer
3 than three members to conduct protest hearings. [~~However, the~~
4 ~~determination of a protest heard by a panel must be made by the~~
5 ~~board.~~] If the recommendation of a panel is not accepted by the
6 board, the board may refer the matter for rehearing to a panel
7 composed of members who did not hear the original hearing or, if
8 there are not at least three members who did not hear the original
9 protest, the board may determine the protest. [~~Before determining~~
10 ~~a protest or conducting a rehearing before a new panel or the board,~~
11 ~~the board shall deliver notice of the hearing or meeting to~~
12 ~~determine the protest in accordance with the provisions of this~~
13 ~~subchapter.~~]

14 (d-1) An appraisal review board to which Section 6.425
15 applies shall sit in special panels established under that section
16 to conduct protest hearings. A special panel may conduct a protest
17 hearing relating to property only if the property is included in the
18 classification for which the panel was established and the property
19 owner has requested that the panel conduct the hearing. The board
20 may rehear a protest heard by a special panel if the board elects
21 not to accept the recommendation of the panel.

22 (d-2) The determination of a protest heard by a panel under
23 Subsection (d) or (d-1) must be made by the board.

24 (d-3) The board must deliver notice of a hearing or meeting
25 to determine a protest heard by a panel, or to rehear a protest,
26 under Subsection (d) or (d-1) in accordance with the provisions of
27 this subchapter.

1 SECTION 15. Section 41.66, Tax Code, is amended by amending
2 Subsection (k) and adding Subsection (k-1) to read as follows:

3 (k) This subsection does not apply to a special panel
4 established under Section 6.425. If an appraisal review board sits
5 in panels to conduct protest hearings, protests shall be randomly
6 assigned to panels, except that the board may consider the type of
7 property subject to the protest or the ground of the protest for the
8 purpose of using the expertise of a particular panel in hearing
9 protests regarding particular types of property or based on
10 particular grounds. If a protest is scheduled to be heard by a
11 particular panel, the protest may not be reassigned to another
12 panel without the consent of the property owner or designated
13 agent. If the appraisal review board has cause to reassign a
14 protest to another panel, a property owner or designated agent may
15 agree to reassignment of the protest or may request that the hearing
16 on the protest be postponed. The board shall postpone the hearing
17 on that request. A change of members of a panel because of a
18 conflict of interest, illness, or inability to continue
19 participating in hearings for the remainder of the day does not
20 constitute reassignment of a protest to another panel.

21 (k-1) On the request of a property owner, an appraisal
22 review board to which Section 6.425 applies shall assign a protest
23 relating to property included in a classification described by that
24 section to the special panel established to conduct protest
25 hearings relating to property included in that classification. If
26 the board has established more than one special panel to conduct
27 protest hearings relating to property included in a particular

1 classification, protests relating to property included in that
2 classification shall be randomly assigned to those special panels.
3 If a protest is scheduled to be heard by a particular special panel,
4 the protest may not be reassigned to another special panel without
5 the consent of the property owner or designated agent. If the board
6 has cause to reassign a protest to another special panel, a property
7 owner or designated agent may agree to reassignment of the protest
8 or may request that the hearing on the protest be postponed. The
9 board shall postpone the hearing on that request. A change of
10 members of a special panel because of a conflict of interest,
11 illness, or inability to continue participating in hearings for the
12 remainder of the day does not constitute reassignment of a protest
13 to another special panel.

14 SECTION 16. Section 41.71, Tax Code, is amended to read as
15 follows:

16 Sec. 41.71. EVENING AND WEEKEND HEARINGS. (a) An appraisal
17 review board by rule shall provide for hearings on protests [~~in the~~
18 ~~evening or~~] on a Saturday or after 5 p.m. on a weekday [~~Sunday~~].

19 (b) The board may not schedule:

20 (1) the first hearing on a protest held on a weekday
21 evening to begin after 7 p.m.; or

22 (2) a hearing on a protest on a Sunday.

23 SECTION 17. Section 41A.01, Tax Code, is amended to read as
24 follows:

25 Sec. 41A.01. RIGHT OF APPEAL BY PROPERTY OWNER. As an
26 alternative to filing an appeal under Section 42.01, a property
27 owner is entitled to appeal through binding arbitration under this

1 chapter an appraisal review board order determining a protest filed
2 under Section 41.41(a)(1) or (2), or a motion filed under Section
3 25.25, concerning the appraised or market value of property if:

4 (1) the property qualifies as the owner's residence
5 homestead under Section 11.13; or

6 (2) the appraised or market value, as applicable, of
7 the property as determined by the order is \$5 [~~\$3~~] million or less.

8 SECTION 18. Sections 41A.03(a) and (a-1), Tax Code, are
9 amended to read as follows:

10 (a) To appeal an appraisal review board order under this
11 chapter, a property owner must file with the appraisal district not
12 later than the 60th [~~45th~~] day after the date the property owner
13 receives notice of the order:

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

16 (2) an arbitration deposit made payable to the
17 comptroller in the amount of:

18 (A) \$450, if the property qualifies as the
19 owner's residence homestead under Section 11.13 and the appraised
20 or market value, as applicable, of the property is \$500,000 or less,
21 as determined by the order;

22 (B) \$500, if the property qualifies as the
23 owner's residence homestead under Section 11.13 and the appraised
24 or market value, as applicable, of the property is more than
25 \$500,000, as determined by the order;

26 (C) \$500, if the property does not qualify as the
27 owner's residence homestead under Section 11.13 and the appraised

1 or market value, as applicable, of the property is \$1 million or
2 less, as determined by the order;

3 (D) \$800, if the property does not qualify as the
4 owner's residence homestead under Section 11.13 and the appraised
5 or market value, as applicable, of the property is more than \$1
6 million but not more than \$2 million, as determined by the order;
7 [~~or~~]

8 (E) \$1,050, if the property does not qualify as
9 the owner's residence homestead under Section 11.13 and the
10 appraised or market value, as applicable, of the property is more
11 than \$2 million but not more than \$3 million, as determined by the
12 order; or

13 (F) \$1,250, if the property does not qualify as
14 the owner's residence homestead under Section 11.13 and the
15 appraised or market value, as applicable, of the property is more
16 than \$3 million but not more than \$5 million, as determined by the
17 order.

18 (a-1) If a property owner requests binding arbitration
19 under this chapter to appeal appraisal review board orders
20 involving two or more tracts of land that are contiguous to one
21 another, a single arbitration deposit in the amount provided by
22 Subsection (a)(2) is sufficient to satisfy the requirement of
23 Subsection (a)(2). For purposes of this subsection, a tract of land
24 is considered to be contiguous with another tract of land if the
25 tracts are divided only by a road, railroad track, river, or stream.

26 SECTION 19. Section 41A.06(b), Tax Code, is amended to read
27 as follows:

1 (b) To initially qualify to serve as an arbitrator under
2 this chapter, a person must:

3 (1) meet the following requirements, as applicable:

4 (A) be licensed as an attorney in this state; or

5 (B) have:

6 (i) completed at least 30 hours of training
7 in arbitration and alternative dispute resolution procedures from a
8 university, college, or legal or real estate trade association; and

9 (ii) been licensed or certified
10 continuously during the five years preceding the date the person
11 agrees to serve as an arbitrator as:

12 (a) a real estate broker or sales
13 agent [~~salesperson~~] under Chapter 1101, Occupations Code;

14 (b) a real estate appraiser under
15 Chapter 1103, Occupations Code; or

16 (c) a certified public accountant
17 under Chapter 901, Occupations Code; and

18 (2) agree to conduct an arbitration for a fee that is
19 not more than:

20 (A) \$400, if the property qualifies as the
21 owner's residence homestead under Section 11.13 and the appraised
22 or market value, as applicable, of the property is \$500,000 or less,
23 as determined by the order;

24 (B) \$450, if the property qualifies as the
25 owner's residence homestead under Section 11.13 and the appraised
26 or market value, as applicable, of the property is more than
27 \$500,000, as determined by the order;

1 (C) \$450, if the property does not qualify as the
2 owner's residence homestead under Section 11.13 and the appraised
3 or market value, as applicable, of the property is \$1 million or
4 less, as determined by the order;

5 (D) \$750, if the property does not qualify as the
6 owner's residence homestead under Section 11.13 and the appraised
7 or market value, as applicable, of the property is more than \$1
8 million but not more than \$2 million, as determined by the order;
9 ~~[or]~~

10 (E) \$1,000, if the property does not qualify as
11 the owner's residence homestead under Section 11.13 and the
12 appraised or market value, as applicable, of the property is more
13 than \$2 million but not more than \$3 million, as determined by the
14 order; or

15 (F) \$1,200, if the property does not qualify as
16 the owner's residence homestead under Section 11.13 and the
17 appraised or market value, as applicable, of the property is more
18 than \$3 million but not more than \$5 million, as determined by the
19 order.

20 SECTION 20. Section 42.01(a), Tax Code, is amended to read
21 as follows:

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

23 (1) an order of the appraisal review board
24 determining:

25 (A) a protest by the property owner as provided
26 by Subchapter C, ~~[of]~~ Chapter 41;

27 (B) a ~~[determination of an appraisal review board]~~

1 ~~on a~~] motion filed under Section 25.25;

2 (C) [~~a determination of an appraisal review~~
3 ~~board~~] that the property owner has forfeited the right to a final
4 determination of a motion filed under Section 25.25 or of a protest
5 under Section 41.411 for failing to comply with the prepayment
6 requirements of Section 25.26 or 41.4115, as applicable; or

7 (D) [~~a determination of an appraisal review board~~
8 ~~of~~] eligibility for a refund requested under Section 23.1243; [~~or~~]

9 (2) a determination of the appraisal review board of a
10 procedural issue involving a motion filed under Section 25.25 or a
11 protest filed under Chapter 41; or

12 (3) [~~(2)~~] an order of the comptroller issued as
13 provided by Subchapter B, Chapter 24, apportioning among the
14 counties the appraised value of railroad rolling stock owned by the
15 property owner.

16 SECTION 21. Section 42.21(b), Tax Code, is amended to read
17 as follows:

18 (b) A petition for review brought under Section 42.02 must
19 be brought against the owner of the property involved in the appeal.
20 A petition for review brought under Section 42.031 must be brought
21 against the appraisal district and against the owner of the
22 property involved in the appeal. A petition for review brought
23 under Section 42.01(a)(2) must be brought against the appraisal
24 review board. A petition for review brought under Section
25 42.01(a)(3) [~~42.01(a)(2)~~] or 42.03 must be brought against the
26 comptroller. Any other petition for review under this chapter must
27 be brought against the appraisal district. Except as otherwise

1 provided by this subsection, a [A] petition for review may not be
2 brought against the appraisal review board. An appraisal district
3 may hire an attorney that represents the district to represent the
4 appraisal review board established for the district to file an
5 answer and obtain a dismissal of a suit filed against the appraisal
6 review board in violation of this subsection.

7 SECTION 22. Section 42.29, Tax Code, is amended to read as
8 follows:

9 Sec. 42.29. ATTORNEY'S FEES. (a) A property owner may be
10 awarded reasonable attorney's fees in an amount authorized by this
11 section if the property owner [~~who~~] prevails:

12 (1) in an appeal to the court under Section 42.25 or
13 42.26;

14 (2) [~~T~~] in an appeal to the court of a determination of
15 an appraisal review board on a motion filed under Section 25.25;

16 (3) in an appeal to the court of a determination of an
17 appraisal review board of a procedural issue involving a motion
18 filed under Section 25.25 or a protest filed under Chapter 41; [~~T~~]

19 or

20 (4) in an appeal to the court of a determination of an
21 appraisal review board of a protest of the denial in whole or in
22 part of an exemption under Section 11.17, 11.22, 11.23, 11.231, or
23 11.24 [~~may be awarded reasonable attorney's fees~~].

24 (b) Subject to Subsection (c), the [~~The~~] amount of the award
25 to a property owner may not exceed the greater of:

26 (1) \$15,000; or

27 (2) 20 percent of the total amount by which the

1 property owner's tax liability is reduced as a result of the appeal.

2 (c) The [~~(b) Notwithstanding Subsection (a), the~~] amount
3 of an award of attorney's fees to a property owner may not exceed
4 the lesser of:

5 (1) \$100,000; or

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

8 SECTION 23. The following provisions of the Tax Code are
9 repealed:

10 (1) Section 6.414; and

11 (2) Section 41.44(b-1).

12 SECTION 24. (a) Not later than February 1, 2018, the
13 comptroller of public accounts shall:

14 (1) appoint the local property tax ombudsman as
15 required by Section 5.054, Tax Code, as added by this Act; and

16 (2) adopt rules as provided by Section 5.061, Tax
17 Code, as added by this Act.

18 (b) A property owner may not file a complaint with the
19 Office of Local Property Tax Ombudsman under Subchapter B, Chapter
20 5, Tax Code, as added by this Act, before March 1, 2018.

21 SECTION 25. Sections 6.41(d-1) and (d-9), Tax Code, as
22 amended by this Act, and Section 6.41(d-10), Tax Code, as added by
23 this Act, apply only to the appointment of appraisal review board
24 members to terms beginning on or after January 1, 2019.

25 SECTION 26. Section 6.412(d), Tax Code, as amended by this
26 Act, does not affect the eligibility of a person serving on an
27 appraisal review board immediately before the effective date of

1 this Act to continue to serve on the board for the term to which the
2 member was appointed.

3 SECTION 27. (a) Section 6.42(c), Tax Code, as amended by
4 this Act, applies only to the per diem and reimbursement of actual
5 and necessary expenses to which a member of an appraisal review
6 board is entitled to for appraisal review board functions that
7 occur on or after March 1, 2018.

8 (b) The comptroller of public accounts shall adopt rules as
9 provided by Section 6.42(c), Tax Code, as amended by this Act, not
10 later than February 1, 2018.

11 SECTION 28. Section 25.19(b-3), Tax Code, as added by this
12 Act, applies only to a notice of appraised value for a tax year
13 beginning on or after January 1, 2019. A notice of appraised value
14 for a tax year beginning before January 1, 2019, is governed by the
15 law in effect immediately before that date, and that law is
16 continued in effect for that purpose.

17 SECTION 29. Section 41.03(a), Tax Code, as amended by this
18 Act, applies only to a challenge under Chapter 41, Tax Code, for
19 which a challenge petition is filed on or after January 1, 2018. A
20 challenge under Chapter 41, Tax Code, for which a challenge
21 petition was filed before January 1, 2018, is governed by the law in
22 effect on the date the challenge petition was filed, and the former
23 law is continued in effect for that purpose.

24 SECTION 30. Sections 41.44, 41.45, and 41.66, Tax Code, as
25 amended by this Act, apply only to a protest filed under Chapter 41,
26 Tax Code, on or after January 1, 2019. A protest filed under that
27 chapter before January 1, 2019, is governed by the law in effect on

1 the date the protest was filed, and the former law is continued in
2 effect for that purpose.

3 SECTION 31. Section 41.71, Tax Code, as amended by this Act,
4 applies only to a hearing on a protest under Chapter 41, Tax Code,
5 that is scheduled on or after January 1, 2018. A hearing on a
6 protest under Chapter 41, Tax Code, that is scheduled before
7 January 1, 2018, is governed by the law in effect on the date the
8 hearing was scheduled, and that law is continued in effect for that
9 purpose.

10 SECTION 32. Sections 41A.01, 41A.03, and 41A.06, Tax Code,
11 as amended by this Act, apply only to a request for binding
12 arbitration under Chapter 41A, Tax Code, that is filed on or after
13 January 1, 2018. A request for binding arbitration under Chapter
14 41A, Tax Code, that is filed before January 1, 2018, is governed by
15 the law in effect on the date the request is filed, and the former
16 law is continued in effect for that purpose.

17 SECTION 33. Sections 42.01, 42.21, and 42.29, Tax Code, as
18 amended by this Act, apply only to an appeal under Chapter 42, Tax
19 Code, that is filed on or after the effective date of this Act. An
20 appeal under Chapter 42, Tax Code, that is filed before the
21 effective date of this Act is governed by the law in effect on the
22 date the appeal is filed, and the former law is continued in effect
23 for that purpose.

24 SECTION 34. (a) Except as provided by Subsection (b) of
25 this section, this Act takes effect January 1, 2018.

26 (b) The following provisions take effect September 1, 2018:

27 (1) Sections 6.41(b), (d-1), and (d-9), Tax Code, as

1 amended by this Act;

2 (2) Sections 6.41(b-1), (b-2), and (d-10), Tax Code,
3 as added by this Act;

4 (3) Section 6.425, Tax Code, as added by this Act;

5 (4) Section 25.19(b-3), Tax Code, as added by this
6 Act;

7 (5) Section 41.44(d), Tax Code, as amended by this
8 Act;

9 (6) Section 41.45(d), Tax Code, as amended by this
10 Act;

11 (7) Sections 41.45(d-1), (d-2), and (d-3), Tax Code,
12 as added by this Act;

13 (8) Section 41.66(k), Tax Code, as amended by this
14 Act; and

15 (9) Section 41.66(k-1), Tax Code, as added by this
16 Act.