

BILL ANALYSIS

Senate Research Center
86R31050 CJC-F

C.S.H.B. 994
By: Guillen (Flores)
Property Tax
5/10/2019
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Currently, the primary mechanism for challenging an Appraisal Review Board (ARB) order is district court. This method is often fraught with several barriers to access, including costs.

H.B. 994 creates a pilot program solely in Atascosa County that increases access to the appeals process for taxpayers wanting to contest their property appraisals and the ARB orders that result from a protest.

H.B. 994 proposes to allow taxpayers to appeal ARB orders to Justice Court only when the claim is for excessive valuation on a residence homestead valued at \$500,000.00 or less.

C.S.H.B. amends current law relating to appeals to justice courts of certain ad valorem tax determinations.

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 Chapter 42, Tax Code, by adding Subchapter B-1, as follows:

SUBCHAPTER B-1. APPEALS FROM APPRAISAL REVIEW BOARD DETERMINATIONS IN CERTAIN COUNTIES

Sec. 42.35. **APPLICABILITY OF SUBCHAPTER.** Provides that this subchapter applies only to the appeal of an order issued by the appraisal review board that is located in a county:

- (1) that has a population of less than 45,500;
- (2) that shares a border with a county that has a population of 1.5 million or more and is within 200 miles of an international border; and
- (3) through which the Atascosa River flows.

Sec. 42.36. **APPEALS TO JUSTICE COURT.** (a) Authorizes a property owner, as an alternative to bringing an appeal under Section 42.01(a)(1) (relating to entitling a property owner to appeal an order of the appraisal review board determining a certain protest by the property owner) to a district court as provided by Subchapter B (Review by District Court), to bring the appeal to a justice court if:

- (1) the appeal relates only to a claim of excessive appraisal of property that qualifies as the owner's residence homestead; and
- (2) the appraised value of the property as determined by the appraisal review board and stated in the order being appealed is \$500,000 or less.

(b) Provides that venue of an action brought under Section 42.01(a)(1) in justice court is in any justice precinct in which the property that is the subject of the order being appealed is located.

(c) Requires a justice court, if the justice court determines that the justice court does not have jurisdiction of the appeal, to dismiss the appeal. Authorizes a property owner, in that event, to appeal the order to a district court by filing a petition for review with the district court not later than the 30th day after the date of the dismissal.

(d) Provides that Sections 42.21 (Petition for Review), 42.23 (Scope of Review), 42.24 (Action by Court), and 42.25 (Remedy For Excessive Appraisal) apply to an appeal brought under Section 42.01(a)(1) to a justice court in the same manner as those sections apply to an appeal brought under Section 42.01(a)(1) to a district court.

Sec. 42.37. REPRESENTATION IN JUSTICE COURT. Authorizes an appraisal district, in an appeal brought under Section 42.01(a)(1) to a justice court, to be, but does not require the appraisal district to be, represented by legal counsel.

Sec. 42.38. EXPIRATION OF SUBCHAPTER. Provides that this subchapter expires September 1, 2025.

SECTION 2. Requires the Office of Court Administration of the Texas Judicial System (OCA), using existing resources, on the expiration of Subchapter B-1, Chapter 42, Tax Code, as added by this Act, to conduct a study on that subchapter's effectiveness in increasing court efficiency and improving property owners' ability to exercise their appeal rights under Chapter 42 (Judicial Review), Tax Code. Requires OCA, not later than December 1, 2026, to issue a report on the study to the appropriate standing committees of the house of representatives and the senate. Requires the report to include OCA's recommendation as to whether the legislature, in the next regular legislative session following the issuance of the report, should enact legislation similar to Subchapter B-1, Chapter 42, Tax Code, as added by this Act.

SECTION 3. Provides that an appeal under Subchapter B-1, Chapter 42, Tax Code, as added by this Act, that is pending on September 1, 2025, is governed by that subchapter as it existed on August 31, 2025, and that law is continued in effect for that purpose.

SECTION 4. Provides that the change in law made by this Act applies to the appeal of an order of an appraisal review board without regard to whether the order was issued before the effective date of this Act.

SECTION 5. Effective date: September 1, 2019.