

BILL ANALYSIS

Senate Research Center

S.B. 1876
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Property Tax
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Enrolled

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Property owners meeting certain criteria may request binding arbitration as an alternative method for appealing a property valuation determined by the appraisal review board (ARB).

Chapter 41A, Tax Code, also allows a property owner to file one arbitration request, with a single arbitration deposit, to appeal an ARB order involving two or more tracts of land that are contiguous to one another in a single arbitration hearing.

The Tax Code does not provide any further restriction on the types of contiguous tracts of land that are eligible for a single arbitration hearing. The Office of the Comptroller of Public Accounts of the State of Texas has provided that two or more tracts of land qualify as contiguous if:

1. each tract physically touches another tract;
2. no intervening area separates the tracts;
3. the property type of each tract is the same as the other tracts being appealed; and
4. the tracts do not include any improvements (buildings).

Due to the comptroller's interpretation of what constitutes contiguous tracts of land, binding arbitration requests submitted by property owners who seek to appeal the valuation of two or more contiguous tracts of land which comprise a single economic unit—but which are not uniformly classified as the same property type—are being dismissed.

S.B. 1876 amends Chapter 41A, Tax Code, to establish that for purposes of binding arbitration, two or more contiguous tracts of land that comprise one economic unit shall be considered contiguous tracts of land regardless of property type classification. (Original Author's/Sponsor's Statement of Intent)

S.B. 1876 amends current law relating to a request for binding arbitration to appeal appraisal review board orders involving two or more contiguous tracts of land.

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.03(a-1), Tax Code, as follows:

(a-1) Provides that, if a property owner requests binding arbitration under this chapter (Request For Arbitration) to appeal appraisal review board orders involving two or more contiguous tracts of land that are owned by the property owner, rather than two or more tracts of land that are contiguous to one another, a single arbitration deposit in the amount provided by Subsection (a)(2) (relating to an arbitration deposit made payable to the comptroller of public accounts of the State of Texas in a certain amount) is sufficient to satisfy the requirement of Subsection (a)(2). Defines "contiguous tracts of land" for purposes of this subsection.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: upon passage or September 1, 2019.