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et al.

H.B. No. 988

A BILL TO BE ENTITLED

AN ACT

relating to the system for appraising property for ad valorem tax purposes; creating a criminal offense.

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

SECTION 1. Section 5.103, Tax Code, is amended by amending Subsection (d) and adding Subsection (e) to read as follows:

(d) An appraisal review board shall incorporate ~~[follow]~~ the model hearing procedures prepared by the comptroller when adopting the board's ~~[establishing its]~~ procedures for hearings as required by Section 41.01(c). An appraisal review board may adopt procedures that supplement the model hearing procedures, provided that the supplemental procedures do not contradict or circumvent the model hearing procedures.

(e) Each year the comptroller shall review the hearing procedures adopted by each appraisal review board to determine whether the hearing procedures incorporate the model hearing procedures prepared by the comptroller under this section ~~[41.66(a)]~~.

SECTION 2. Section 5.104(1), Tax Code, is amended to read as follows:

(1) The comptroller shall issue an annual report that summarizes the information included in the surveys submitted during the preceding tax year. The report must also include a summary of the comments, complaints, and suggestions forwarded to the

1 comptroller during the preceding tax year by taxpayer liaison
2 officers under Section 6.052(a), the results of the comptroller's
3 review of appraisal review board hearing procedures during the
4 preceding tax year under Section 5.103(e), and the results of
5 requests for limited binding arbitration filed with the comptroller
6 during the preceding tax year under Section 41A.015. The report may
7 not disclose the identity of an individual who submitted a survey,
8 comment, complaint, suggestion, or request for arbitration.

9 SECTION 3. Section 6.04(d), Tax Code, is amended to read as
10 follows:

11 (d) The board shall develop and implement policies that
12 provide the public with reasonable opportunity to appear before the
13 board to speak on any issue under the jurisdiction of the board.
14 Reasonable time shall be provided during each board meeting for
15 public comment on appraisal district and appraisal review board
16 policies and procedures, and a report from the taxpayer liaison
17 officer [~~if one is required by Section 6.052~~].

18 SECTION 4. Section 6.052, Tax Code, is amended by amending
19 Subsections (a), (b), and (c) and adding Subsection (g) to read as
20 follows:

21 (a) The board of directors for an appraisal district
22 [~~created for a county with a population of more than 120,000~~] shall
23 appoint a taxpayer liaison officer who shall serve at the pleasure
24 of the board. The taxpayer liaison officer shall administer the
25 public access functions required by Sections 6.04(d), (e), and (f),
26 and is responsible for resolving disputes not involving matters
27 that may be protested under Section 41.41. In addition, the

1 taxpayer liaison officer is responsible for receiving, and
2 compiling a list of, comments, complaints, and suggestions filed by
3 the chief appraiser, a property owner, or a property owner's agent
4 concerning the matters listed in Section 5.103(b) or any other
5 matter related to the fairness and efficiency of the appraisal
6 review board established for the appraisal district. The taxpayer
7 liaison officer shall forward to the comptroller comments,
8 complaints, and suggestions filed under this subsection in the form
9 and manner prescribed by the comptroller not later than December 31
10 of each year. A person may serve as the taxpayer liaison officer
11 for more than one appraisal district if each appraisal district for
12 which the person is appointed to serve as taxpayer liaison officer
13 is established for a county with a population of less than 120,000.

14 (b) The taxpayer liaison officer shall provide to the public
15 information and materials designed to assist property owners in
16 understanding the appraisal process, protest procedures, the
17 procedure for filing comments, complaints, and suggestions under
18 Subsection (a) of this section or a complaint under Section
19 6.04(g), and other matters. Information concerning the process for
20 submitting comments, complaints, and suggestions to the
21 comptroller concerning an appraisal review board shall be provided
22 at each protest hearing.

23 (c) The taxpayer liaison officer shall report to the board
24 at each meeting on the status of all comments, complaints, and
25 suggestions filed with the officer under Subsection (a) of this
26 section and all complaints filed with the board under Section
27 6.04(g).

1 (g) Notwithstanding any other provision of this chapter, a
2 taxpayer liaison officer does not commit an offense under this
3 chapter if the officer communicates with the chief appraiser or
4 another employee or agent of the appraisal district, a member of the
5 appraisal review board established for the appraisal district, a
6 member of the board of directors of the appraisal district, a
7 property tax consultant, a property owner, an agent of a property
8 owner, or another person if the communication is made in the good
9 faith exercise of the officer's statutory duties.

10 SECTION 5. Subchapter A, Chapter 6, Tax Code, is amended by
11 adding Section 6.155 to read as follows:

12 Sec. 6.155. CERTAIN COMMUNICATIONS BY TAXING UNITS
13 PROHIBITED; PENALTY. (a) A member of the governing body, officer,
14 or employee of a taxing unit commits an offense if the person
15 directly or indirectly communicates with the chief appraiser or
16 another employee of the appraisal district in which the taxing unit
17 participates for the purpose of influencing the value at which
18 property in the district is appraised.

19 (b) An offense under this section is a state jail felony.

20 SECTION 6. Section 11.253(a)(2), Tax Code, is amended to
21 read as follows:

22 (2) "Goods-in-transit" means tangible personal
23 property that:

24 (A) is acquired in or imported into this state to
25 be forwarded to another location in this state or outside this
26 state;

27 (B) is stored under a contract of bailment by a

1 public warehouse operator at one or more public warehouse
2 facilities in this state that are not in any way owned or controlled
3 by the owner of the personal property for the account of the person
4 who acquired or imported the property;

5 (C) is transported to another location in this
6 state or outside this state not later than 175 days, or, if
7 applicable, the greater number of days adopted by the taxing unit as
8 authorized by Subsection (1), after the date the person acquired
9 the property in or imported the property into this state; and

10 (D) does not include oil, natural gas, petroleum
11 products, aircraft, dealer's motor vehicle inventory, dealer's
12 vessel and outboard motor inventory, dealer's heavy equipment
13 inventory, or retail manufactured housing inventory.

14 SECTION 7. Section 11.253, Tax Code, is amended by amending
15 Subsections (e) and (g) and adding Subsection (1) to read as
16 follows:

17 (e) In determining the market value of goods-in-transit
18 that in the preceding year were stored in this state, the chief
19 appraiser shall exclude the cost of equipment, machinery, or
20 materials that entered into and became component parts of the
21 goods-in-transit but were not themselves goods-in-transit or that
22 were not transported to another location in this state or outside
23 this state before the expiration of 175 days, or, if applicable, the
24 greater number of days adopted by the taxing unit as authorized by
25 Subsection (1), after the date they were brought into this state by
26 the property owner or acquired by the property owner in this state.
27 For component parts held in bulk, the chief appraiser may use the

1 average length of time a component part was held by the owner of the
2 component parts during the preceding year at a location in this
3 state that was not owned by or under the control of the owner of the
4 component parts in determining whether the component parts were
5 transported to another location in this state or outside this state
6 before the expiration of 175 days, or, if applicable, the greater
7 number of days adopted by the taxing unit as authorized by
8 Subsection (l).

9 (g) If the property owner or the chief appraiser
10 demonstrates that the method provided by Subsection (d)
11 significantly understates or overstates the market value of the
12 property qualified for an exemption under Subsection (b) in the
13 current year, the chief appraiser shall determine the market value
14 of the goods-in-transit to be exempt by determining, according to
15 the property owner's records and any other available information,
16 the market value of those goods-in-transit owned by the property
17 owner on January 1 of the current year, excluding the cost of
18 equipment, machinery, or materials that entered into and became
19 component parts of the goods-in-transit but were not themselves
20 goods-in-transit or that were not transported to another location
21 in this state or outside this state before the expiration of 175
22 days, or, if applicable, the greater number of days adopted by the
23 taxing unit as authorized by Subsection (l), after the date they
24 were brought into this state by the property owner or acquired by
25 the property owner in this state.

26 (l) This subsection applies only to a taxing unit any part
27 of which is located in an area designated a disaster area by a

1 disaster declaration issued under Section 418.014 or 418.108,
2 Government Code, that has not expired or otherwise been terminated.
3 The governing body of a taxing unit, in the manner provided by law
4 for official action, may extend the date by which goods-in-transit
5 must be transported to another location in this state or outside
6 this state to a date not later than the 270th day after the date the
7 person acquired the property in or imported the property into this
8 state. An extension adopted by official action under this
9 subsection applies only to:

10 (1) the exemption from ad valorem taxation by the
11 taxing unit adopting the extension; and

12 (2) the tax year in which the extension is adopted.

13 SECTION 8. Section 23.55, Tax Code, is amended by adding
14 Subsections (e-1) and (r) to read as follows:

15 (e-1) A property owner may request in writing that the chief
16 appraiser determine whether a change of use of the property owner's
17 land has occurred. The request must state the manner in which the
18 property owner is currently using the land. Not later than the 90th
19 day after the date the chief appraiser receives the request, the
20 chief appraiser shall provide the property owner with a written
21 determination that includes a description of the current use of the
22 land and a statement as to whether the current use of the land has
23 resulted in a change of use of the land. If the chief appraiser
24 determines that a change of use of the land has not occurred, the
25 chief appraiser may not later determine that a change of use of the
26 land has occurred on the basis of the use described in the written
27 determination.

1 (r) The sanctions provided by Subsection (a) do not apply to
2 a change in the use of land if, after the change in use, the physical
3 characteristics of the land remain consistent with the physical
4 characteristics of the land during the period for which the land was
5 eligible for appraisal under this subchapter.

6 SECTION 9. Section 25.02, Tax Code, is amended by adding
7 Subsections (c), (d), (e), and (f) to read as follows:

8 (c) Each appraisal record must have a unique account number.
9 If an appraisal district changes the account number of an appraisal
10 record, the appraisal district must provide written notice of the
11 change to the property owner as soon as practicable after the change
12 and provide notice of the change in the next notice of appraised
13 value of the property included in the record that is delivered to
14 the property owner under Section 25.19.

15 (d) This subsection does not apply to an appraisal record
16 for a residential property, for an improvement only, or for a
17 property on which a delinquent tax is due. On the written request
18 of a property owner, the chief appraiser shall combine contiguous
19 parcels or tracts of the owner's real property into a single
20 appraisal record. On the written request of a property owner, the
21 chief appraiser shall separate identifiable segments of the owner's
22 parcel or tract of real property into individual appraisal records.

23 (e) A property owner must make a request under Subsection
24 (d) before January 1 of the tax year for which the requested change
25 to the appraisal records is to be made. The request must contain a
26 legal description as contained in a deed sufficient to describe the
27 property subject to the request.

1 (f) If a chief appraiser refuses to combine parcels or
2 tracts, or separate a parcel or tract, on request of a property
3 owner under Subsection (d), the appraisal review board may order
4 the requested change on a motion filed by the property owner under
5 Section 25.25 or a protest filed under Chapter 41.

6 SECTION 10. Section 25.19, Tax Code, is amended by adding
7 Subsections (m) and (n) to read as follows:

8 (m) The chief appraiser may not deliver a corrected or
9 amended notice of appraised value later than June 1 for property for
10 which a person files a rendition statement or property report as
11 required by Chapter 22 unless the purpose of the notice is to:

12 (1) include omitted property; or

13 (2) correct a clerical error.

14 (n) As soon as practicable after delivering a notice
15 required by this section to a property owner, the chief appraiser
16 shall post the notice on the appraisal district's Internet website,
17 if the appraisal district maintains a website, as part of the
18 appraisal record pertaining to the property.

19 SECTION 11. Section 31.11(h), Tax Code, is amended to read
20 as follows:

21 (h) This section does not apply to an overpayment caused by
22 a change of exemption status or correction of a tax roll, including
23 an overpayment received after a correction of a tax roll as a result
24 of an appeal under Chapter 42. Such an overpayment is covered by
25 Section 26.15 or 42.43, as applicable.

26 SECTION 12. Section 41.01, Tax Code, is amended by adding
27 Subsections (c), (d), and (e) to read as follows:

1 (c) The appraisal review board by rule shall adopt
2 procedures for hearings the board conducts under this subchapter
3 and Subchapter C. Before adopting the hearing procedures, the
4 board shall hold a public hearing to consider the hearing
5 procedures proposed for adoption by the board. Not later than May
6 15 of each year, the board shall hold the hearing, make any
7 amendments to the proposed hearing procedures the board determines
8 are necessary, and by resolution finally adopt the hearing
9 procedures. The board must comply with Section 5.103(d) when
10 adopting the hearing procedures. The chairman of the board has
11 exclusive authority over the administration of hearing procedures
12 adopted by the board.

13 (d) The appraisal review board shall distribute copies of
14 the hearing procedures adopted by the board to the board of
15 directors of, and the taxpayer liaison officer for, the appraisal
16 district for which the appraisal review board is established and to
17 the comptroller not later than the 15th day after the date the board
18 adopts the hearing procedures.

19 (e) The appraisal review board shall post a copy of the
20 hearing procedures adopted by the board:

21 (1) in a prominent place in each room in which the
22 board conducts hearings under this subchapter and Subchapter C; and

23 (2) if the appraisal district for which the board is
24 established maintains an Internet website, on the appraisal
25 district's website.

26 SECTION 13. Section 41.44(d), Tax Code, is amended to read
27 as follows:

1 (d) A notice of protest is sufficient if it identifies the
2 protesting property owner, including a person claiming an ownership
3 interest in the property even if that person is not listed on the
4 appraisal records as an owner of the property, identifies the
5 property that is the subject of the protest, and indicates apparent
6 dissatisfaction with some determination of the appraisal
7 office. The notice need not be on an official form, but the
8 comptroller shall prescribe a form that provides for more detail
9 about the nature of the protest. The form must permit a property
10 owner to include each property in the appraisal district that is the
11 subject of a protest. The form must permit a property owner to
12 request that the protest be heard by a special panel established
13 under Section 6.425 if the protest will be determined by an
14 appraisal review board to which that section applies and the
15 property is included in a classification described by Section
16 6.425(b). The form must permit a property owner to request that the
17 protest be heard by a single-member panel authorized by Section
18 41.45(b-4). The comptroller, each appraisal office, and each
19 appraisal review board shall make the forms readily available and
20 deliver one to a property owner on request.

21 SECTION 14. Subchapter C, Chapter 41, Tax Code, is amended
22 by adding Section 41.445 to read as follows:

23 Sec. 41.445. INFORMAL CONFERENCE BEFORE HEARING ON PROTEST.

24 (a) The appraisal review board shall schedule an informal
25 conference with the appraisal office for each property owner who
26 files a notice of protest with the board, to be held before the
27 hearing on the protest. Notice of the date, time, and location of

1 the informal conference shall be delivered to the property owner
2 with the notice of protest hearing required under Section 41.46.

3 (b) Except as provided by Subsection (c), the informal
4 conference may not be scheduled to be held on the same day on which
5 the hearing on the protest is scheduled to be held or during the
6 five-day period preceding that date.

7 (c) On request made in writing by the property owner to the
8 appraisal office with good cause shown, the appraisal office shall
9 reschedule the informal conference for a later date that is before
10 the date of the hearing on the protest. The rescheduling of the
11 informal conference under this subsection does not require the
12 delivery of additional written notice to the property owner. The
13 appraisal office may reschedule the informal conference for a date
14 during the five-day period described by Subsection (b) with the
15 property owner's consent.

16 (d) The appraisal office shall cancel the informal
17 conference if the property owner informs the appraisal office, in
18 writing, that the property owner elects not to participate in the
19 conference.

20 (e) The property owner's failure to appear at the informal
21 conference does not prevent the appraisal review board from hearing
22 the protest and issuing an order determining the protest.

23 SECTION 15. Section 41.45(b-1), Tax Code, is amended to
24 read as follows:

25 (b-1) An appraisal review board shall conduct a hearing on a
26 protest by telephone conference call if [+

27 [~~1~~] the property owner notifies the board that the

1 property owner intends to appear by telephone conference call in
2 the owner's notice of protest or by written notice filed with the
3 board not later than the 10th day before the date of the hearing [~~+~~
4 ~~or~~

5 ~~(2) the board proposes that the hearing be conducted~~
6 ~~by telephone conference call and the property owner agrees to the~~
7 ~~hearing being conducted in that manner].~~

8 SECTION 16. Section 41.45, Tax Code, is amended by adding
9 Subsections (b-4) and (b-5) and amending Subsections (d), (d-2),
10 and (d-3) to read as follows:

11 (b-4) An appraisal review board shall sit in a single-member
12 panel to conduct a protest hearing under this section if the
13 property owner requests that the hearing be conducted by a
14 single-member panel:

15 (1) in the notice of protest; or

16 (2) in writing submitted to the board not later than
17 the 10th day before the date of the hearing.

18 (b-5) If the recommendation of a single-member panel that
19 conducts a hearing under Subsection (b-4) is not accepted by the
20 appraisal review board, the board may refer the matter for
21 rehearing to a single-member panel composed of a member who did not
22 hear the original protest or the board may determine the protest.

23 (d) This subsection does not apply to a single-member panel
24 established under Subsection (b-4) of this section or a special
25 panel established under Section 6.425. An appraisal review board
26 consisting of more than three members may sit in panels of not fewer
27 than three members to conduct protest hearings. If the

1 recommendation of a panel is not accepted by the board, the board
2 may refer the matter for rehearing to a panel composed of members
3 who did not hear the original protest or, if there are not at least
4 three members who did not hear the original protest, the board may
5 determine the protest.

6 (d-2) The determination of a protest heard by a panel under
7 Subsection (b-4), (d), or (d-1) must be made by the board.

8 (d-3) The board must deliver notice of a hearing or meeting
9 to determine a protest heard by a panel, or to rehear a protest,
10 under Subsection (b-4), (d), or (d-1) in accordance with the
11 provisions of this subchapter.

12 SECTION 17. Section 41.461(a), Tax Code, is amended to read
13 as follows:

14 (a) At least 14 days before a hearing on a protest, the chief
15 appraiser shall:

16 (1) deliver a copy of the pamphlet prepared by the
17 comptroller under Section 5.06 to the property owner initiating the
18 protest, or to an agent representing the owner if requested by the
19 agent;

20 (2) inform the property owner that the owner or the
21 agent of the owner is entitled on request to a copy of the data,
22 schedules, formulas, and all other information the chief appraiser
23 will introduce at the hearing to establish any matter at issue; and

24 (3) deliver a copy of the hearing procedures adopted
25 [~~established~~] by the appraisal review board under Section 41.01
26 [~~41.66~~] to the property owner.

27 SECTION 18. Section 41.47, Tax Code, is amended by amending

1 Subsection (c) and adding Subsection (d-1) to read as follows:

2 (c) If the protest is of the determination of the appraised
3 value of the owner's property, the appraisal review board must
4 state in the order the appraised value of the property, listed
5 separately in the case of real property as the appraised value of
6 the land and the appraised value of any improvement to the land as
7 allocated by the chief appraiser:

8 (1) as shown in the appraisal records submitted to the
9 board by the chief appraiser under Section 25.22 or 25.23; and

10 (2) as finally determined by the board.

11 (d-1) This subsection applies only to an appraisal district
12 established in a county with a population of 120,000 or more. The
13 requirements of this subsection are in addition to the requirements
14 of Subsection (d). On written request submitted to the chief
15 appraiser, the chief appraiser shall deliver by e-mail, in the
16 manner provided by this subsection, a copy of the notice of issuance
17 of the order and a copy of the order required by Subsection (d) if
18 the property subject to the order is not the subject of an agreement
19 under Section 1.085. A request under this subsection may be
20 submitted only by the property owner whose property is subject to
21 the protest for which the order is issued, an attorney representing
22 the property owner, or an individual designated by the property
23 owner under Section 1.111. A person may include in a single request
24 more than one property owned by the same property owner or multiple
25 properties owned by multiple property owners. A person may submit
26 more than one request. A person submitting a request must indicate
27 in the request that the chief appraiser must make the delivery to

1 the property owner, an attorney representing the property owner, an
2 individual designated by the property owner under Section 1.111, or
3 a combination of those persons. A person must submit a request
4 before the protest hearing relating to each property included in
5 the request. The chief appraiser shall deliver, as provided by this
6 subsection, a copy of the notice of issuance of the order and a copy
7 of the order required by Subsection (d) not later than the 21st day
8 after the date the appraisal review board issues the order.

9 SECTION 19. Section 41.66, Tax Code, is amended by amending
10 Subsection (a) and adding Subsection (q) to read as follows:

11 (a) The appraisal review board shall conduct hearings in
12 accordance with the hearing procedures adopted by the appraisal
13 review board under Section 41.01(c) [~~establish by rule the~~
14 ~~procedures for hearings it conducts as provided by Subchapters A~~
15 ~~and C of this chapter]~~. On request made by a property owner in the
16 owner's notice of protest or in a separate writing delivered to the
17 appraisal review board on or before the date the notice of protest
18 is filed, the property owner is entitled to a copy of the hearing
19 procedures. The copy of the hearing procedures shall be delivered
20 to the property owner not later than the 10th day before the date
21 the hearing on the protest begins and may be delivered with the
22 notice of the protest hearing required under Section 41.46(a). The
23 notice of protest form prescribed by the comptroller under Section
24 41.44(d) or any other notice of protest form made available to a
25 property owner by the appraisal review board or the appraisal
26 office shall provide the property owner an opportunity to make or
27 decline to make a request under this subsection. [~~The appraisal~~

1 ~~review board shall post a copy of the hearing procedures in a~~
2 ~~prominent place in the room in which the hearing is held.]~~

3 (g) A person who owns property in an appraisal district or
4 the chief appraiser of an appraisal district may file a complaint
5 with the taxpayer liaison officer for the appraisal district
6 alleging that the appraisal review board established for the
7 appraisal district has adopted or is implementing hearing
8 procedures that are not in compliance with the model hearing
9 procedures prepared by the comptroller under Section 5.103 or is
10 not complying with procedural requirements under this chapter. The
11 taxpayer liaison officer shall investigate the complaint and report
12 the findings of the investigation to the board of directors of the
13 appraisal district. The board of directors shall direct the
14 chairman of the appraisal review board to take remedial action if,
15 after reviewing the taxpayer liaison officer's report, the board of
16 directors determines that the allegations contained in the
17 complaint are true. The board of directors may remove the member of
18 the appraisal review board serving as chairman of the appraisal
19 review board from that member's position as chairman if the board
20 determines that the chairman has failed to take the actions
21 necessary to bring the appraisal review board into compliance with
22 Section 5.103(d) or this chapter, as applicable.

23 SECTION 20. Chapter 41A, Tax Code, is amended by adding
24 Section 41A.015 to read as follows:

25 Sec. 41A.015. LIMITED BINDING ARBITRATION TO COMPEL
26 COMPLIANCE WITH CERTAIN PROCEDURAL REQUIREMENTS RELATED TO
27 PROTESTS. (a) A property owner who has filed a notice of protest

1 under Chapter 41 may file a request for limited binding arbitration
2 under this section to compel the appraisal review board or chief
3 appraiser, as appropriate, to:

4 (1) rescind procedural rules adopted by the appraisal
5 review board that are not in compliance with the model hearing
6 procedures prepared by the comptroller under Section 5.103;

7 (2) schedule a hearing on a protest as required by
8 Section 41.45;

9 (3) deliver information to the property owner in the
10 manner required by Section 41.461;

11 (4) allow the property owner to offer evidence,
12 examine or cross-examine witnesses or other parties, and present
13 arguments as required by Section 41.66(b);

14 (5) set a hearing for a time and date certain and
15 postpone a hearing that does not begin within two hours of the
16 scheduled time as required by Section 41.66(i);

17 (6) schedule hearings on protests concerning multiple
18 properties identified in the same notice of protest on the same day
19 at the request of the property owner or the property owner's
20 designated agent as required by Section 41.66(j); or

21 (7) refrain from using or offering as evidence
22 information requested by the property owner under Section 41.461
23 that was not delivered to the property owner at least 14 days before
24 the hearing as required by Section 41.67(d).

25 (b) A property owner may not file a request for limited
26 binding arbitration under this section unless:

27 (1) the property owner has delivered written notice to

1 the chairman of the appraisal review board, the chief appraiser,
2 and the taxpayer liaison officer for the applicable appraisal
3 district by certified mail, return receipt requested, of the
4 procedural requirement with which the property owner alleges the
5 appraisal review board or chief appraiser failed to comply on or
6 before the fifth business day after the date the appraisal review
7 board or chief appraiser was required to comply with the
8 requirement; and

9 (2) the chairman of the appraisal review board or
10 chief appraiser, as applicable, fails to deliver to the property
11 owner on or before the 10th day after the date the notice is
12 delivered a written statement confirming that the appraisal review
13 board or chief appraiser, as applicable, will comply with the
14 requirement or cure a failure to comply with the requirement.

15 (c) Except as otherwise provided by this subtitle, the
16 failure to comply with a procedural requirement listed under
17 Subsection (a) is not a ground for postponement of a hearing on a
18 protest. An appraisal review board may cure an alleged failure to
19 comply with a procedural requirement that occurred during a hearing
20 by rescinding the order determining the protest for which the
21 hearing was held and scheduling a new hearing on the protest.

22 (d) A property owner must request limited binding
23 arbitration under this section by filing a request with the
24 comptroller. The property owner may not file the request earlier
25 than the 11th day or later than the 30th day after the date the
26 property owner delivers the notice required by Subsection (b)(1) to
27 the chairman of the appraisal review board, the chief appraiser,

1 and the taxpayer liaison officer for the applicable appraisal
2 district.

3 (e) A request for limited binding arbitration under this
4 section must be in a form prescribed by the comptroller and be
5 accompanied by an arbitration deposit payable to the comptroller in
6 the amount of:

7 (1) \$450, if the property that is the subject of the
8 protest to which the arbitration relates qualifies as the property
9 owner's residence homestead under Section 11.13 and the appraised
10 or market value, as applicable, of the property is \$500,000 or less,
11 as determined by the appraisal district for the most recent tax
12 year; or

13 (2) \$550, for property other than property described
14 by Subdivision (1).

15 (f) The comptroller shall prescribe the form to be used for
16 submitting a request for limited binding arbitration under this
17 section. The form must require the property owner to provide:

18 (1) a statement that the property owner has provided
19 the written notice required by Subsection (b);

20 (2) a statement that the property owner has made the
21 arbitration deposit required by this section;

22 (3) a brief statement identifying the procedural
23 requirement with which the property owner alleges the appraisal
24 review board or chief appraiser, as applicable, has failed to
25 comply;

26 (4) a description of the action taken or not taken by
27 the appraisal review board or chief appraiser regarding the

1 procedural requirement identified under Subdivision (3);

2 (5) a description of the property to which the award
3 will apply; and

4 (6) any other information reasonably necessary for the
5 comptroller to appoint an arbitrator.

6 (g) On receipt of the request and deposit under this
7 section, the comptroller shall appoint an arbitrator from the
8 registry maintained under Section 41A.06 who is eligible to serve
9 as an arbitrator under Subsection (p) of this section. Section
10 41A.07(h) does not apply to the appointment of an arbitrator under
11 this section.

12 (h) The appraisal review board, the chief appraiser, and the
13 property owner are parties to a limited binding arbitration
14 conducted under this section. The appraisal review board may
15 appear by counsel, by the chairman, or by a person designated by the
16 chairman. The chief appraiser may appear by counsel, in person, or
17 by a designated employee. The property owner may appear in the
18 manner provided by Section 41A.08(b)(2), (3), (4), or (5).

19 (i) The arbitrator shall make an arbitration award and
20 deliver an electronic copy of the award to:

21 (1) the property owner;

22 (2) the chairman of the appraisal review board;

23 (3) the chief appraiser; and

24 (4) the comptroller.

25 (j) An award under this section:

26 (1) shall include a determination of whether the
27 appraisal review board or chief appraiser failed to comply with a

1 procedural requirement as alleged in the request for limited
2 binding arbitration;

3 (2) if the arbitrator determines that the appraisal
4 review board or chief appraiser failed to comply with a procedural
5 requirement as alleged in the request, shall direct the appraisal
6 review board or chief appraiser, as applicable, to:

7 (A) comply with the procedural requirement; or

8 (B) if the hearing on the protest has been held
9 and the appraisal review board has issued an order determining the
10 protest, rescind the order and hold a new hearing on the protest
11 that complies with the procedural requirement;

12 (3) shall specify the arbitrator's fee;

13 (4) is final and may not be appealed; and

14 (5) is enforceable as provided by Section [41A.09](#).

15 (k) If the arbitrator determines that the appraisal review
16 board or chief appraiser failed to comply with the procedural
17 requirement that was the subject of the limited binding
18 arbitration:

19 (1) the comptroller, on receipt of a copy of the award,
20 shall refund the property owner's arbitration deposit, less the
21 amount retained by the comptroller under Section [41A.05\(b\)](#); and

22 (2) the appraisal district shall pay the arbitrator's
23 fee.

24 (l) If the arbitrator determines that the appraisal review
25 board or chief appraiser complied with the procedural requirement
26 that was the subject of the limited binding arbitration, the
27 comptroller shall:

1 (1) pay the arbitrator's fee out of the owner's
2 arbitration deposit; and

3 (2) refund to the owner the owner's arbitration
4 deposit, less the arbitrator's fee and the amount retained by the
5 comptroller under Section 41A.05(b).

6 (m) As soon as practicable after receiving notice of an
7 award, the appraisal review board or the chief appraiser shall:

8 (1) take any action required to comply with the
9 requirements of the award; and

10 (2) if the award requires the appraisal review board
11 to conduct a new hearing under Chapter 41, schedule and conduct the
12 hearing.

13 (n) An award under this section does not affect the property
14 owner's right to:

15 (1) appeal the final determination of a protest by the
16 appraisal review board under Chapter 42; or

17 (2) pursue any other legal or statutory remedy
18 available to the property owner.

19 (o) A property owner may request a single limited binding
20 arbitration under this section that covers more than one property,
21 more than one protest hearing, or an allegation of the failure by
22 the appraisal review board or chief appraiser to comply with more
23 than one procedural requirement so long as the requirements of
24 Subsection (b) are met with regard to each alleged failure to
25 comply. The amount of the arbitration deposit and the amount of the
26 arbitrator's fee are computed as if a single property were the
27 subject of the arbitration. If the arbitration involves property

1 described by Subsection (e)(1) and property described by Subsection
2 (e)(2), the amount of the arbitration deposit and the amount of the
3 arbitrator's fee are computed as if only the property described by
4 Subsection (e)(2) were the subject of the arbitration. If the
5 arbitration involves an allegation of the failure by the appraisal
6 review board or chief appraiser to comply with more than one
7 procedural requirement, Subsection (k) applies if the arbitrator
8 determines that the appraisal review board or chief appraiser
9 failed to comply with one or more of the procedural requirements
10 that were the subject of the arbitration and Subsection (l) applies
11 if the arbitrator determines that the appraisal review board or
12 chief appraiser complied with all of the procedural requirements
13 that were the subject of the arbitration.

14 (p) Section 41A.06 applies to the registration and
15 qualification of an arbitrator under this section except that an
16 arbitrator under this section must:

17 (1) be a licensed attorney; and

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

20 (A) \$400 if the property is described by
21 Subsection (e)(1); or

22 (B) \$500 if the property is described by
23 Subsection (e)(2).

24 (q) Except as otherwise provided by this section, the
25 provisions of this chapter apply to a limited binding arbitration
26 under this section. In the event of a conflict between this section
27 and another provision of this chapter, this section controls.

1 SECTION 21. Section 42.01, Tax Code, is amended by adding
2 Subsection (a-1) to read as follows:

3 (a-1) A property owner may not appeal separately the portion
4 of an order of an appraisal review board determining the appraised
5 value of land or the portion of the order determining the appraised
6 value of an improvement to the land if the order determined the
7 appraised value of both.

8 SECTION 22. Section 42.015(a), Tax Code, is amended to read
9 as follows:

10 (a) A person leasing property who is contractually
11 obligated to reimburse the property owner for taxes imposed on the
12 property is entitled to appeal an order of the appraisal review
13 board determining a protest relating to the property:

- 14 (1) brought by the person under Section 41.413; or
15 (2) brought by the property owner if the property
16 owner does not appeal the order.

17 SECTION 23. Section 42.23(e), Tax Code, is amended to read
18 as follows:

19 (e) For purposes of Subsection (d), a property owner may
20 designate a cause of action under Section 42.25 or 42.26 as the
21 basis for an appeal, but may not designate a cause of action under
22 both sections as the basis for the appeal. Discovery regarding a
23 cause of action that is not specifically designated by the property
24 owner under Subsection (d) shall be conducted as provided by the
25 Texas Rules of Civil Procedure. A [The] court may not enter an
26 order, including a protective order [to modify the provisions of
27 this subsection] under Rule 192.6 of the Texas Rules of Civil

1 Procedure, that conflicts with Subsection (d).

2 SECTION 24. Section 11.253, Tax Code, as amended by this
3 Act, applies only to a tax year beginning on or after January 1,
4 2022.

5 SECTION 25. Section 25.19, Tax Code, as amended by this Act,
6 applies only to a notice of appraised value for a tax year beginning
7 on or after January 1, 2022.

8 SECTION 26. Section 41.445, Tax Code, as added by this Act,
9 and Section 41.45(b-1), Tax Code, as amended by this Act, apply only
10 to a protest under Chapter 41, Tax Code, for which a notice of
11 protest is filed by a property owner on or after the effective date
12 of this Act. A protest under Chapter 41, Tax Code, for which a
13 notice of protest is filed by a property owner before the effective
14 date of this Act is governed by the law in effect on the date the
15 notice of protest is filed, and the former law is continued in
16 effect for that purpose.

17 SECTION 27. Sections 41.45 and 41.47, Tax Code, as amended
18 by this Act, apply only to a protest under Chapter 41, Tax Code, for
19 which a notice of protest is filed on or after January 1, 2022.

20 SECTION 28. Sections 42.01, 42.015, and 42.23, Tax Code, as
21 amended by this Act, apply only to an appeal under Chapter 42, Tax
22 Code, that is filed on or after January 1, 2022.

23 SECTION 29. (a) Except as provided by Subsection (b) of this
24 section, this Act takes effect January 1, 2022.

25 (b) Sections 5.103, 5.104, 6.04, 6.052, 41.01, 41.461, and
26 41.66, Tax Code, as amended by this Act, and Section 41A.015, Tax
27 Code, as added by this Act, take effect immediately if this Act

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1 receives a vote of two-thirds of all the members elected to each
2 house, as provided by Section 39, Article III, Texas Constitution.
3 If this Act does not receive the vote necessary for immediate
4 effect, those sections of this Act take effect September 1, 2021.