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S.B. No. 63

A BILL TO BE ENTITLED

AN ACT

relating to the system for appraising property for ad valorem tax purposes.

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

SECTION 1. Section 5.03, Tax Code, is amended by adding Subsection (d) to read as follows:

(d) Notwithstanding any other provision of this title, the comptroller may, after providing notice, require a document, payment, notice, report, or other item required to be submitted to the comptroller under this title to be submitted electronically and may send a document, payment, notice, report or other item the comptroller is required to send under this title electronically. The comptroller may adopt rules to administer this subsection, including rules specifying the format of an item electronically submitted to or sent by the comptroller.

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

(b) A member of the appraisal review board established for an appraisal district must complete the course established under Subsection (a). The course must provide at least eight hours of classroom or distance training and education. A member of the appraisal review board may not participate in a hearing conducted by the board unless the person has completed the course established

1 under Subsection (a) and received a certificate of course
2 completion.

3 (e-1) In addition to the course established under
4 Subsection (a), the comptroller shall approve curricula and provide
5 materials for use in a continuing education course for members of an
6 appraisal review board. The course must provide at least four hours
7 of classroom or distance training and education. The curricula and
8 materials must include information regarding:

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

11 (2) the appraisal of business personal property;

12 (3) the determination of capitalization rates for
13 property appraisal purposes;

14 (4) the duties of an appraisal review board;

15 (5) the requirements regarding the independence of an
16 appraisal review board from the board of directors and the chief
17 appraiser and other employees of the appraisal district;

18 (6) the prohibitions against ex parte communications
19 applicable to appraisal review board members;

20 (7) the Uniform Standards of Professional Appraisal
21 Practice;

22 (8) the duty of the appraisal district to substantiate
23 the district's determination of the value of property;

24 (9) the requirements regarding the equal and uniform
25 appraisal of property;

26 (10) the right of a property owner to protest the
27 appraisal of the property as provided by Chapter 41; and

1 (11) a detailed explanation of each of the actions
2 described by Sections 25.25, 41.41(a), 41.411, 41.412, 41.413,
3 41.42, and 41.43 so that members are fully aware of each of the
4 grounds on which a property appraisal can be appealed.

5 (i) The comptroller may adopt rules to implement this
6 section, including rules establishing criteria for course
7 availability and for demonstrating course completion.

8 SECTION 3. Section 6.035(a-1), Tax Code, is amended to read
9 as follows:

10 (a-1) An individual is ineligible to serve on the board of
11 directors of an appraisal district [~~board of directors~~] if the
12 individual:

13 (1) has served as a member of the board of directors
14 for all or part of three terms, unless:

15 (A) the individual was the county
16 assessor-collector at the time the individual served as a board
17 member; or

18 (B) the appraisal district is established in a
19 county with a population of less than 120,000;

20 (2) has engaged in the business of appraising property
21 for compensation for use in proceedings under this title at any time
22 during the preceding three years;

23 (3) has engaged in the business [or] of representing
24 property owners for compensation in proceedings under this title in
25 the appraisal district at any time during the preceding three
26 years; or

27 (4) has been an employee of the appraisal district at

1 any time during the preceding three years.

2 SECTION 4. Section 6.054, Tax Code, is amended to read as
3 follows:

4 Sec. 6.054. RESTRICTION ON EMPLOYMENT BY APPRAISAL
5 DISTRICT. An individual may not be employed by an appraisal
6 district if the individual [~~is~~]:

7 (1) is an officer of a taxing unit that participates
8 in the appraisal district; [~~or~~]

9 (2) is an employee of a taxing unit that participates
10 in the appraisal district; or

11 (3) has served as a member of the appraisal review
12 board for the appraisal district at any time during the preceding
13 two years.

14 SECTION 5. Section 6.41(f), Tax Code, is amended to read as
15 follows:

16 (f) A member of the appraisal review board may be removed
17 from the board by a majority vote of the appraisal district board of
18 directors, or by the local administrative district judge or the
19 judge's designee, as applicable, that appointed the member. Not
20 later than the 90th day after the date the board of directors, local
21 administrative district judge, or judge's designee that appointed a
22 member of the appraisal review board learns of a potential ground
23 for removal of the member, the board of directors, local
24 administrative district judge, or judge's designee, as applicable,
25 shall remove the member or find by official action that the member's
26 removal is not warranted. Grounds for removal are:

27 (1) a violation of Section 6.412, 6.413, 41.66(f), or

1 41.69;

2 (2) good cause relating to the attendance of members
3 at called meetings of the board as established by written policy
4 adopted by a majority of the appraisal district board of directors;
5 or

6 (3) evidence of repeated bias or misconduct.

7 SECTION 6. Sections 11.45(a), (d), and (e), Tax Code, are
8 amended to read as follows:

9 (a) The chief appraiser shall determine separately each
10 applicant's right to an exemption. After considering the
11 application and all relevant information, the chief appraiser
12 shall, as soon as practicable but not later than the 90th day after
13 the date the application is filed with the chief appraiser, as the
14 law and facts warrant:

15 (1) approve the application and allow the exemption;

16 (2) modify the exemption applied for and allow the
17 exemption as modified;

18 (3) disapprove the application and request additional
19 information from the applicant in support of the claim; or

20 (4) deny the application.

21 (d) If the chief appraiser modifies or denies an application
22 [exemption], the chief appraiser [he] shall deliver a written
23 notice of the modification or denial to the applicant within five
24 days after the date the chief appraiser [he] makes the
25 determination. The notice must state and fully explain each reason
26 the chief appraiser modified or denied the application. The notice
27 must [He shall] include [with the notice] a brief explanation of the

1 procedures for protesting the modification or denial [~~his action~~].

2 (e) If the chief appraiser approves, modifies, or denies an
3 application for an exemption under Section 11.35, the chief
4 appraiser shall deliver a written notice of the approval,
5 modification, or denial to the applicant not later than the fifth
6 day after the date the chief appraiser makes the determination. The
7 notice must include the damage assessment rating assigned by the
8 chief appraiser to each item of qualified property that is the
9 subject of the application and a brief explanation of the
10 procedures for protesting the chief appraiser's determination. If
11 the chief appraiser modifies or denies the application, the notice
12 must state and fully explain each reason the chief appraiser
13 modified or denied the application. The notice required under this
14 subsection is in lieu of any notice that would otherwise be required
15 under Subsection (d).

16 SECTION 7. Sections 23.44(a) and (d), Tax Code, are amended
17 to read as follows:

18 (a) The chief appraiser shall determine individually each
19 claimant's right to the agricultural designation. After
20 considering the application and all relevant information, the chief
21 appraiser shall, as soon as practicable but not later than the 90th
22 day after the date the application is filed with the chief
23 appraiser, as the law and facts warrant:

24 (1) approve the application and designate the land for
25 agricultural use;

26 (2) disapprove the application and request additional
27 information from the claimant in support of the claim; or

1 (3) deny the application.

2 (d) If the chief appraiser denies an application, the chief
3 appraiser [~~he~~] shall deliver a written notice of the denial to the
4 claimant within five days after the date of denial. The notice must
5 state and fully explain each reason the chief appraiser denied the
6 application. The notice must include a brief explanation of the
7 procedures for protesting the denial.

8 SECTION 8. Sections 23.57(a) and (d), Tax Code, are amended
9 to read as follows:

10 (a) The chief appraiser shall determine separately each
11 applicant's right to have the applicant's [~~his~~] land appraised
12 under this subchapter. After considering the application and all
13 relevant information, the chief appraiser shall, as soon as
14 practicable but not later than the 90th day after the date the
15 application is filed with the chief appraiser, as the law and facts
16 warrant:

17 (1) approve the application and allow appraisal under
18 this subchapter;

19 (2) disapprove the application and request additional
20 information from the applicant in support of the claim; or

21 (3) deny the application.

22 (d) If the chief appraiser denies an application, the chief
23 appraiser [~~he~~] shall deliver a written notice of the denial to the
24 applicant within five days after the date the chief appraiser [~~he~~]
25 makes the determination. The notice must state and fully explain
26 each reason the chief appraiser denied the application. The notice
27 must [~~He shall~~] include [~~with the notice~~] a brief explanation of the

1 procedures for protesting the denial [~~his action and a full~~
2 ~~explanation of the reasons for denial of the application~~].

3 SECTION 9. Sections 23.79(a) and (d), Tax Code, are amended
4 to read as follows:

5 (a) The chief appraiser shall determine separately each
6 applicant's right to have the applicant's [~~his~~] land appraised
7 under this subchapter. After considering the application and all
8 relevant information, the chief appraiser shall, as soon as
9 practicable but not later than the 90th day after the date the
10 application is filed with the chief appraiser, as the law and facts
11 warrant:

12 (1) approve the application and allow appraisal under
13 this subchapter;

14 (2) disapprove the application and request additional
15 information from the applicant in support of the claim; or

16 (3) deny the application.

17 (d) If the chief appraiser denies an application, the chief
18 appraiser [~~he~~] shall deliver a written notice of the denial to the
19 applicant within five days after the date the chief appraiser [~~he~~]
20 makes the determination. The notice must state and fully explain
21 each reason the chief appraiser denied the application. The notice
22 must [~~He shall~~] include [~~with the notice~~] a brief explanation of the
23 procedures for protesting the denial [~~his action~~].

24 SECTION 10. Sections 23.85(a) and (d), Tax Code, are
25 amended to read as follows:

26 (a) The chief appraiser shall determine individually each
27 claimant's right to appraisal under this subchapter. After

1 considering the application and all relevant information, the chief
2 appraiser shall, as soon as practicable but not later than the 90th
3 day after the date the application is filed with the chief
4 appraiser, as the law and facts warrant:

5 (1) approve the application and allow appraisal under
6 this subchapter;

7 (2) disapprove the application and request additional
8 information from the claimant in support of the claim; or

9 (3) deny the application.

10 (d) If the chief appraiser denies an application, the chief
11 appraiser [~~he~~] shall deliver a written notice of the denial to the
12 claimant within five days after the date of denial. The notice must
13 state and fully explain each reason the chief appraiser denied the
14 application. The notice must include a brief explanation of the
15 procedures for protesting the denial.

16 SECTION 11. Sections 23.95(a) and (d), Tax Code, are
17 amended to read as follows:

18 (a) The chief appraiser shall determine individually each
19 claimant's right to appraisal under this subchapter. After
20 considering the application and all relevant information, the chief
21 appraiser shall, as soon as practicable but not later than the 90th
22 day after the date the application is filed with the chief
23 appraiser, as the law and facts warrant:

24 (1) approve the application and allow appraisal under
25 this subchapter;

26 (2) disapprove the application and request additional
27 information from the claimant in support of the claim; or

1 (3) deny the application.

2 (d) If the chief appraiser denies an application, the chief
3 appraiser [~~he~~] shall deliver a written notice of the denial to the
4 claimant within five days after the date of denial. The notice must
5 state and fully explain each reason the chief appraiser denied the
6 application. The notice must include a brief explanation of the
7 procedures for protesting the denial.

8 SECTION 12. Sections 23.9805(a) and (d), Tax Code, are
9 amended to read as follows:

10 (a) The chief appraiser shall determine separately each
11 applicant's right to have the applicant's land appraised under this
12 subchapter. After considering the application and all relevant
13 information, the chief appraiser shall, as soon as practicable but
14 not later than the 90th day after the date the application is filed
15 with the chief appraiser, based on the law and facts:

16 (1) approve the application and allow appraisal under
17 this subchapter;

18 (2) disapprove the application and request additional
19 information from the applicant in support of the claim; or

20 (3) deny the application.

21 (d) If the chief appraiser denies an application, the chief
22 appraiser shall deliver a written notice of the denial to the
23 applicant not later than the fifth day after the date the chief
24 appraiser makes the determination. The notice must state and fully
25 explain each reason the chief appraiser denied the application.
26 The chief appraiser shall include with the notice a brief
27 explanation of the procedures for protesting the denial.

1 SECTION 13. Section 25.193(b), Tax Code, is amended to read
2 as follows:

3 (b) If a property owner has elected to receive notices by
4 e-mail as provided by Section 1.086, [~~for property described by~~
5 ~~that section,~~] the notice required by this section must be sent in
6 that manner regardless of whether the information was also included
7 in a notice under Section 25.19 and must be sent separately from any
8 other notice sent to the property owner by the chief appraiser.

9 SECTION 14. Section 25.25(e), Tax Code, is amended to read
10 as follows:

11 (e) If the chief appraiser and the property owner do not
12 agree to the correction before the 15th day after the date the
13 motion is filed, a party bringing a motion under Subsection (c) or
14 (d) is entitled on request to a hearing on and a determination of
15 the motion by the appraisal review board. A party bringing a
16 motion under this section must describe the error or errors that the
17 motion is seeking to correct. The appraisal review board shall
18 schedule the hearing to be held as soon as practicable but not later
19 than the 90th day after the date the request for the hearing is
20 made. Not later than 15 days before the date of the hearing, the
21 board shall deliver written notice of the date, time, and place of
22 the hearing to the chief appraiser, the property owner, and the
23 presiding officer of the governing body of each taxing unit in which
24 the property is located. The chief appraiser, the property owner,
25 and each taxing unit are entitled to present evidence and argument
26 at the hearing and to receive written notice of the board's
27 determination of the motion. The property owner is entitled to

1 elect to present the owner's evidence and argument before, after,
2 or between the cases presented by the chief appraiser and each
3 taxing unit. A property owner who files the motion must comply
4 with the payment requirements of Section 25.26 or forfeit the right
5 to a final determination of the motion.

6 SECTION 15. Section 41.44(d), Tax Code, is amended to read
7 as follows:

8 (d) A notice of protest is sufficient if it identifies the
9 protesting property owner, including a person claiming an ownership
10 interest in the property even if that person is not listed on the
11 appraisal records as an owner of the property, identifies the
12 property that is the subject of the protest, and indicates apparent
13 dissatisfaction with some determination of the appraisal
14 office. The notice need not be on an official form, but the
15 comptroller shall prescribe a form that provides for more detail
16 about the nature of the protest. The form must permit a property
17 owner to include each property in the appraisal district that is the
18 subject of a protest. If the form includes boxes a property owner
19 is required to select from to indicate the reason the owner is
20 filing a protest, the form must permit a property owner who believes
21 that the owner's property was appraised at a value that exceeds its
22 appraised value, was appraised unequally, or both, to select a
23 single box to indicate that the owner is filing a protest for either
24 or both reasons. The form must permit a property owner to request
25 that the protest be heard by a special panel established under
26 Section 6.425 if the protest will be determined by an appraisal
27 review board to which that section applies and the property is

1 included in a classification described by Section 6.425(b). The
2 comptroller, each appraisal office, and each appraisal review board
3 shall make the forms readily available and deliver one to a property
4 owner on request.

5 SECTION 16. Section 41.45(a), Tax Code, is amended to read
6 as follows:

7 (a) On the filing of a notice as required by Section 41.44,
8 the appraisal review board shall schedule a hearing on the protest.
9 The appraisal review board shall schedule the hearing to be held as
10 soon as practicable but not later than the 90th day after the date
11 the board approves the appraisal records as provided by Section
12 41.12. If more than one protest is filed relating to the same
13 property, the appraisal review board shall schedule a single
14 hearing on all timely filed protests relating to the property. A
15 hearing for a property that is owned in undivided or fractional
16 interests, including separate interests in a mineral in place,
17 shall be scheduled to provide for participation by all owners who
18 have timely filed a protest.

19 SECTION 17. Section 41.46, Tax Code, is amended by adding
20 Subsection (f) to read as follows:

21 (f) In addition to the notice required by Subsection (a), on
22 written request of the property owner initiating the protest, the
23 appraisal review board shall deliver to the property owner an
24 electronic reminder stating the date, time, and place of the
25 protest hearing that is the subject of the notice. The property
26 owner may request that delivery of the electronic reminder be made
27 by e-mail or text message. The property owner must provide in the

1 request the e-mail address or telephone number, as applicable, to
2 which the appraisal review board must send the reminder. The
3 appraisal review board must deliver the electronic reminder to the
4 property owner not earlier than the seventh day after the date the
5 appraisal review board delivers the notice required by Subsection
6 (a) and not later than the day before the date of the hearing.

7 SECTION 18. Section 41.67, Tax Code, is amended by adding
8 Subsection (e) to read as follows:

9 (e) The chief appraiser may not offer evidence or argument
10 at a hearing on a protest in support of a reason for modifying or
11 denying an application other than a reason stated in a notice
12 delivered to the applicant under Section 11.45(d) or (e), 23.44(d),
13 23.57(d), 23.79(d), 23.85(d), 23.95(d), or 23.9805(d).

14 SECTION 19. Section 6.035(a-1), Tax Code, as amended by
15 this Act, does not affect the eligibility of a person serving as an
16 appointed member of the board of directors of an appraisal district
17 immediately before the effective date of this Act to continue to
18 serve on the board for the remainder of the term to which the member
19 was appointed.

20 SECTION 20. Section 6.054, Tax Code, as amended by this Act,
21 applies only to a former member of an appraisal review board first
22 employed by an appraisal district on or after the effective date of
23 this Act.

24 SECTION 21. Section 6.41(f), Tax Code, as amended by this
25 Act, applies only to a potential ground for removal of a member of
26 an appraisal review board that an appraisal district board of
27 directors, local administrative district judge, or local

1 administrative district judge's designee, as applicable, first
2 learns of on or after the effective date of this Act.

3 SECTION 22. Sections 11.45(a), 23.44(a), 23.57(a),
4 23.79(a), 23.85(a), 23.95(a), and 23.9805(a), Tax Code, as amended
5 by this Act, apply only to an application filed with a chief
6 appraiser on or after the effective date of this Act.

7 SECTION 23. Sections 11.45(d) and (e), 23.44(d), 23.57(d),
8 23.79(d), 23.85(d), 23.95(d), and 23.9805(d), Tax Code, as amended
9 by this Act, apply only to a notice required to be delivered by a
10 chief appraiser on or after the effective date of this Act.

11 SECTION 24. Section 25.25(e), Tax Code, as amended by this
12 Act, applies only to a motion to correct an appraisal roll filed on
13 or after the effective date of this Act.

14 SECTION 25. Sections 41.45, 41.46, and 41.67, Tax Code, as
15 amended by this Act, apply only to a protest for which the notice of
16 protest was filed on or after the effective date of this Act.

17 SECTION 26. This Act takes effect September 1, 2021.