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By:  Hinojosa S.B. No. 43

A BILL TO BE ENTITLED

AN ACT

relating to expedited appeals of appraisal review board orders in certain appraisal districts.

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

SECTION 1.  Section 22.004, Government Code, is amended by adding Subsection (h-2) to read as follows:

(h-2)  In addition to the rules adopted under Subsections (h) and (h-1), the supreme court shall adopt rules to promote the prompt, efficient, and cost-effective resolution of civil actions authorized by district courts to be expedited under Section 42.222, Tax Code. The rules must require that the final determination of a civil action authorized by a district court to be expedited under that section, including all appeals subsequent to the district court's determination in that action, be made on or before July 25 of the year following the year in which the petition for the civil action is filed, and shall prescribe deadlines to ensure the final determination is made by that date. The rules shall balance the need for prompt, efficient, and cost-effective resolution of these actions against the complexity of and discovery needs in these actions. The supreme court may not adopt rules under this subsection that conflict with other statutory law.

SECTION 2.  Section 41.47(e), Tax Code, is amended to read as follows:

(e)  The notice of the issuance of the order must contain a prominently printed statement in upper-case bold lettering informing the property owner in clear and concise language of the property owner's right to appeal the order of the board to district court. The statement must describe the deadline prescribed by Section 42.06(a) for filing a written notice of appeal and the applicable deadline prescribed by Section 42.21(a) or (a-1) for filing the petition for review with the district court.

SECTION 3.  Section 42.21, Tax Code, is amended by amending Subsections (a), (c), (e), (g), and (h) and adding Subsections (a-1) and (a-2) to read as follows:

(a)  Except as provided by Subsection (a-1), a [~~A~~] party who appeals as provided by this chapter must file a petition for review with the district court within 60 days after the party received notice that a final order has been entered from which an appeal may be had or at any time after the hearing but before the 60-day deadline.

(a-1)  This subsection applies only to an appeal described by Section 42.222(b). A party who appeals as provided by this chapter must file a petition for review with the district court within 30 days after the party received notice that a final order has been entered from which an appeal may be had or at any time after the hearing but before the 30-day deadline.

(a-2)  Failure to timely file a petition as prescribed by Subsection (a) or (a-1), as applicable, bars any appeal under this chapter.

(c)  If an appeal under this chapter is pending when the appraisal review board issues an order in a subsequent year under a protest by the same property owner and that protest relates to the same property that is involved in the pending appeal, the property owner may appeal the subsequent appraisal review board order by amending the original petition for the pending appeal to include the grounds for appealing the subsequent order. The amended petition must be filed with the court in the period provided by Subsection (a) or (a-1), as applicable, for filing a petition for review of the subsequent order. A property owner may appeal the subsequent appraisal review board order under this subsection or may appeal the order independently of the pending appeal as otherwise provided by this section, but may not do both. A property owner may change the election of remedies provided by this subsection at any time before the end of the period provided by Subsection (a) or (a-1), as applicable, for filing a petition for review.

(e)  A petition that is timely filed under Subsection (a) or (a-1), as applicable, or amended under Subsection (c) may be subsequently amended to:

(1)  correct or change the name of a party; or

(2)  not later than the 120th day before the date of trial, identify or describe the property originally involved in the appeal.

(g)  A petition filed by an owner or lessee of property may be amended to include additional properties in the same county that are owned or leased by the same person, are of a similar type as the property originally involved in the appeal or are part of the same economic unit as the property originally involved in the appeal and would typically sell as a single property, and are the subject of an appraisal review board order issued in the same year as the order that is the subject of the original appeal. The amendment must be filed within the period during which a petition for review of the appraisal review board order pertaining to the additional properties would be required to be filed under Subsection (a) or (a-1), as applicable.

(h)  The court has jurisdiction over an appeal under this chapter brought on behalf of a property owner or lessee and the owner or lessee is considered to have exhausted the owner's or lessee's administrative remedies regardless of whether the petition correctly identifies the plaintiff as the owner or lessee of the property or correctly describes the property so long as the property was the subject of an appraisal review board order, the petition was filed within the period required by Subsection (a) or (a-1), as applicable, and the petition provides sufficient information to identify the property that is the subject of the petition. Whether the plaintiff is the proper party to bring the petition or whether the property needs to be further identified or described must be addressed by means of a special exception and correction of the petition by amendment as authorized by Subsection (e) and may not be the subject of a plea to the jurisdiction or a claim that the plaintiff has failed to exhaust the plaintiff's administrative remedies. If the petition is amended to add a plaintiff, the court on motion shall enter a docket control order to provide proper deadlines in response to the addition of the plaintiff.

SECTION 4.  Subchapter B, Chapter 42, Tax Code, is amended by adding Section 42.222 to read as follows:

Sec. 42.222.  EXPEDITED APPEAL. (a) In this section:

(1)  "Affected appraisal district" means an appraisal district:

(A)  established for a county that has a population of less than 500,000 and is located on the Gulf of Mexico; and

(B)  in which one or more parcels of property are located that are included as part of anticipated substantial litigation.

(2)  "Anticipated substantial litigation" means one or more appeals filed or intended to be filed under this chapter for a tax year by a single property owner or by one or more associated business entities of a single property owner of one or more orders of an appraisal review board determining one or more protests by the owner or entities of the taxable value of one or more parcels of property located in an affected appraisal district that have an aggregate contested taxable value of more than $1 billion.

(3)  "Associated business entity" means a subsidiary or other associated business entity of a property owner.

(4)  "Contested taxable value" means the portion of the taxable value of property that is in dispute.

(b)  This section applies only to an appeal authorized by this chapter of a protest to an appraisal review board for an affected appraisal district.

(c)  On motion of a party to an appeal or a taxing unit authorized to intervene in the appeal as provided by Subsection (d), the court in which the appeal is filed may expedite the appeal under rules adopted by the supreme court under Section 22.004(h-2), Government Code, if the court finds that one or more taxing units will be substantially affected by not expediting the appeal.

(d)  The court in which an appeal subject to this section is filed may authorize a taxing unit entitled to tax property subject to the appeal to intervene in the appeal for the sole purpose of bringing a motion to expedite the proceedings.

(e)  Notwithstanding Section 22.004, Government Code, the supreme court may not amend or adopt rules in conflict with this section.

SECTION 5.  Section 42.28, Tax Code, is amended to read as follows:

Sec. 42.28.  APPEAL OF DISTRICT COURT JUDGMENT. (a) A party may appeal the final judgment of the district court as provided by law for appeal of civil suits generally, except that an appeal bond is not required of the chief appraiser, the county, the comptroller, or the commissioners court.

(b)  An appeal to a court of appeals or the supreme court involving the final judgment of a district court under an expedited appeal authorized by Section 42.222 shall be conducted under rules adopted by the supreme court under Section 22.004(h-2), Government Code.

SECTION 6.  Not later than March 1, 2024, the Supreme Court of Texas shall adopt rules required by Section 22.004(h-2), Government Code, as added by this Act.

SECTION 7.  Section 41.47, Tax Code, as amended by this Act, applies only to notice of issuance of an appraisal review board order delivered on or after March 1, 2024.

SECTION 8.  Section 42.21, Tax Code, as amended by this Act, and Section 42.222, Tax Code, as added by this Act, apply only to an appeal filed under Chapter 42, Tax Code, on or after March 1, 2024.

SECTION 9.  (a) Except as provided by Subsection (b) of this section, this Act takes effect March 1, 2024.

(b)  Sections 1 and 6 of this Act take effect immediately if this Act receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for those sections to have immediate effect, those sections take effect on the 91st day after the last day of the legislative session.