

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

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

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

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

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

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

26 (c) If an appeal under this chapter is pending when the  
27 appraisal review board issues an order in a subsequent year under a

1 protest by the same property owner and that protest relates to the  
2 same property that is involved in the pending appeal, the property  
3 owner may appeal the subsequent appraisal review board order by  
4 amending the original petition for the pending appeal to include  
5 the grounds for appealing the subsequent order. The amended  
6 petition must be filed with the court in the period provided by  
7 Subsection (a) or (a-1), as applicable, for filing a petition for  
8 review of the subsequent order. A property owner may appeal the  
9 subsequent appraisal review board order under this subsection or  
10 may appeal the order independently of the pending appeal as  
11 otherwise provided by this section, but may not do both. A property  
12 owner may change the election of remedies provided by this  
13 subsection at any time before the end of the period provided by  
14 Subsection (a) or (a-1), as applicable, for filing a petition for  
15 review.

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

- 19 (1) correct or change the name of a party; or  
20 (2) not later than the 120th day before the date of  
21 trial, identify or describe the property originally involved in the  
22 appeal.

23 (g) A petition filed by an owner or lessee of property may be  
24 amended to include additional properties in the same county that  
25 are owned or leased by the same person, are of a similar type as the  
26 property originally involved in the appeal or are part of the same  
27 economic unit as the property originally involved in the appeal and

1 would typically sell as a single property, and are the subject of an  
2 appraisal review board order issued in the same year as the order  
3 that is the subject of the original appeal. The amendment must be  
4 filed within the period during which a petition for review of the  
5 appraisal review board order pertaining to the additional  
6 properties would be required to be filed under Subsection (a) or  
7 (a-1), as applicable.

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

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

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

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

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

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

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

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

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

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

27 (c) On motion of a party to an appeal or a taxing unit

1 authorized to intervene in the appeal as provided by Subsection  
2 (d), the court in which the appeal is filed may expedite the appeal  
3 under rules adopted by the supreme court under Section 22.004(h-2),  
4 Government Code, if the court finds that one or more taxing units  
5 will be substantially affected by not expediting the appeal.

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

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

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

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

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

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

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

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

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

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