

## **BILL ANALYSIS**

H.B. 1956  
By: Geren  
Ways & Means  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Current law limits the amount of attorney fees that a prevailing property owner may recover from appraisal districts after judicial review of certain property tax determinations. Homeowners are often unable to recover sufficient attorney fees to cover the cost of hiring counsel, which precludes the average property owner from contesting property tax appraisals on their homestead beyond the applicable appraisal review board (ARB), which typically sides with the appraisal districts which they serve. H.B. 1956 seeks to allow a reasonable amount of attorney fees to be recovered by a homeowner who successfully challenges their home appraisal in an appeal of an ARB order determining their administrative protest, which will allow a successful property owner to employ a competent attorney to file and prosecute a dispute over the values of the homeowner's property. Ideally, the bill would also have the desirable effect of causing appraisal districts to carefully consider appraisals of homes and to pay closer attention to property owners' protests.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

H.B. 1956 amends the Tax Code to revise statutory provisions relating to the award of reasonable attorney's fees to a prevailing property owner in a judicial appeal of certain property tax determinations as follows:

- expands the application of provisions providing for the award of attorney's fees to a property owner who prevails in an appeal to the court under any provision providing for judicial review with respect to property taxes the subject of which relates to any determination of a motion regarding a local appraisal or of a protest under local review;
- raises the cap on the amount of the award from the greater of \$15,000 or 20 percent of the total amount by which the property owner's tax liability is reduced as a result of the appeal to the greater of \$25,000 or 50 percent of the total amount by which the property owner's tax liability is reduced as a result of the appeal;
- changes the cap on the amount of attorney's fees that may be awarded from the lesser of \$100,000 or the total amount by which the property owner's tax liability is reduced as a result of the appeal to an amount equal to the total amount by which the property owner's tax liability is reduced as a result of the appeal;
- clarifies that the cap on the award of attorney's fees applies to the prevailing property owner; and

- establishes that the amount of an award of attorney's fees to the prevailing property owner is not subject to such limitations if the property owner prevails in an appeal for excessive or unequal appraisals and if the owner qualifies the property as the owner's residence homestead.

The bill's provisions apply only to an appeal filed under property tax provisions relating to judicial review on or after the bill's effective date.

#### **EFFECTIVE DATE**

On passage, or, if the bill does not receive the necessary vote, September 1, 2023.