

## **BILL ANALYSIS**

Senate Research Center  
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S.B. 1487  
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Local Government  
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### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Currently, a large amount of property tax-related communication (e.g., notice of appraised value, appraisal review board order, property tax bill, etc.) is delivered by physical mail to property owners. This procedure is costly for tax officials, and runs the risk of having communication lost in the mail while in transit. Under Section 1.085 (Communication in Electronic Format) of the Texas Tax Code, a property owner may electronically receive property tax related communication upon, but only upon mutual agreement with the local tax officials.

S.B. 1487 seeks to authorize a taxpayer the option for electronic communication of property tax-related material.

S.B. 1487 amends the Tax Code to make electronic communications available at the election of the property owner, rather than by mutual agreement between the owner and local tax officials.

S.B. 1487 defines "communication" as a notice of appraised value, rendition, application form, completed application, report, filing, statement, appraisal review board order, bill, or other item of information required or permitted under the law. S.B. 1487 requires a tax official to establish a procedure that allows a property owner to make the election, which must be made in writing on a form prescribed by the Comptroller of Public Accounts of the State of Texas. S.B. 1487 prohibits a tax official from charging a fee to accept a communication delivered electronically and authorizes a tax official to require a property owner to provide an e-mail address and other information necessary for the exchange of communications.

S.B. 1487 requires a tax official to prominently display the information necessary for proper electronic delivery of communications to the official on the website and each communication sent to a property owner that requires the property owner or person designated by the owner to submit a communication to the official.

S.B. 1487 requires a tax official to accept and immediately confirm the receipt of a communication delivered electronically.

The bill takes effect for the 2024 tax year for appraisal districts in counties with a population of 120,000 or more and in 2025 for counties with less than 120,000.

As proposed, S.B. 1487 amends current law relating to the electronic delivery of certain communications required or permitted under the Property Tax Code.

### **RULEMAKING AUTHORITY**

Rulemaking authority previously granted to the Comptroller of Public Accounts of the State of Texas is modified in SECTION 3 (Section 1.085, Tax Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 1.07(a), Tax Code, as follows:

- (a) Deletes existing text authorizing an official or agency required by Title 1 (Property Tax Code) to deliver a notice to a property owner to deliver the notice by regular first-

class mail, with postage prepaid, unless the parties agree that the notice is required to be delivered as provided by Section 1.085 or 1.086 (Delivery of Certain Notices by E-Mail).

SECTION 2. Amends the heading to Section 1.085, Tax Code, to read as follows:

Sec. 1.085. ELECTRONIC DELIVERY OF COMMUNICATION.

SECTION 3. Amends Section 1.085, Tax Code, by amending Subsections (a), (d), (e), (f), (i), and (j) and adding Subsections (a-1), (a-2), (a-3), (a-4), (a-5), (a-6), (d-1), and (n), as follows:

(a) Defines "communication" and "tax official."

(a-1) Requires that a communication that is required or permitted by this title to be delivered between a tax official and a property owner or a person designated by a property owner under Section 1.111(f) (relating to authorizing a property owner in writing filed with certain entities to deliver certain communications relating to one or more specified items of the owner's property to a specified person instead of to the property owner), notwithstanding any other provision in this title, be delivered electronically if the property owner or person designated by the owner elects to exchange communications with the tax official electronically under Subsection (a-2) of this section. Deletes existing text authorizing any notice, rendition, application form, or completed application, or information requested under Section 41.461(a)(2) (relating to requiring the chief appraiser to inform the property owner that the owner is entitled to request a copy of certain information the chief appraiser will introduce at the hearing to establish any matter at issue), that is required or permitted by this title to be delivered between a chief appraiser, an appraisal district, an appraisal review board (ARB), or any combination of those persons and a property owner or a person designated by a property owner under Section 1.111(f), notwithstanding any other provision in this title and except as provided by this section, to be delivered in an electronic format if the chief appraiser and the property owner or person designated by the owner agree under this section.

(a-2) Requires a tax official to establish a procedure that allows a property owner or a person designated by a property owner under Section 1.111(f) to make the election described by Subsection (a-1) of this section. Requires that the procedure specify:

(1) the manner in which communications will be exchanged between the official and the property owner or person designated by the owner; and

(2) the method that will be used to confirm the delivery of communications.

(a-3) Requires that an election described by Subsection (a-1) of this section by a property owner or a person designated by a property owner under Section 1.111(f) be made in writing on a form prescribed by the Comptroller of Public Accounts of the State of Texas (comptroller) for that purpose and remain in effect until rescinded in writing by the property owner or person designated by the owner.

(a-4) Prohibits a tax official from charging a fee to accept a communication delivered electronically to the official.

(a-5) Authorizes a tax official to require a property owner or a person designated by a property owner under Section 1.111(f) who elects to exchange communications electronically to provide:

(1) an e-mail address; and

(2) other information necessary for the exchange of communications.

(a-6) Requires a tax official to prominently display the information necessary for proper electronic delivery of communications to the official on:

(1) the official's Internet website, if applicable; and

(2) each communication sent by the official to a property owner or a person designated by a property owner under Section 1.111(f) that requires the property owner or person designated by the owner to submit a communication to the official.

(d) Provides that the electronic delivery of any communication by a tax official to a property owner or a person designated by a property owner under Section 1.111(f) is effective on delivery by the tax official. Deletes existing text providing that the delivery of any information in an electronic format, unless otherwise provided by an agreement, is effective on receipt by a chief appraiser, an appraisal district, an ARB, a property owner, or a person designated by a property owner. Deletes existing text providing that an agreement entered into under this section remains in effect until rescinded in writing by the property owner or person designated by the owner.

(d-1) Provides that the electronic delivery of a communication by a property owner or a person designated by a property owner under Section 1.111(f) to a tax official is timely if the communication is:

(1) addressed to the correct delivery portal or electronic delivery system; and

(2) sent or uploaded on or before the date on which the communication is due.

(e) Requires the comptroller by rule to prescribe acceptable media, formats, content, and methods for the electronic delivery of communications under this section and adopt guidelines for the implementation of this section by tax officials. Deletes existing text providing that the comptroller by rule is required to prescribe acceptable media, formats, content, and methods for the electronic transmission of notices required by Section 25.19 (Notice of Appraised Value) and is authorized to prescribe acceptable media, formats, content, and methods for the electronic transmission of other notices, renditions, and applications.

(f) Authorizes a tax official to select the medium, format, content, and method to be used by the tax official and a property owner or a person designated by a property owner under Section 1.111(f) to exchange communications electronically from among those prescribed by the comptroller under Subsection (e). Deletes existing text authorizing a chief appraiser, in an agreement entered into under this section, to select the medium, format, content, and method to be used by the appraisal district from among those prescribed by the comptroller under Subsection (e). Deletes existing text authorizing the chief appraiser, if the comptroller has not prescribed the media, format, content, and method applicable to the communication, to determine the medium, format, content, and method to be used.

(i) Requires a property owner or a person designated by the property owner under Section 1.111(f) who elects to exchange communications electronically with a tax official under this section and who has not rescinded the election to notify the tax official of a change in the e-mail address provided by the property owner or person designated by the owner before the first April 1 that occurs following the change. Provides that any communications delivered electronically to the property owner or person designated by the owner, if notification is not received by the tax official before that date, until notification is received, are considered to be timely delivered. Deletes existing text requiring a property owner or a person designated by the property owner who enters into an agreement under this section that has not been rescinded to notify the appraisal district of a change in the electronic mail address specified in the agreement before the first April 1 that occurs following the change. Deletes existing text providing that any notices delivered under the agreement to the property owner or person designated by the owner, if notification is not received by the appraisal district before that date, until notification is received, are considered to be timely delivered.

(j) Provides that an electronic signature that is included in any communication delivered electronically under this section is considered to be a digital signature for purposes of Section 2054.060 (Digital Signature), Government Code, and that section applies to the electronic signature. Deletes existing text requiring that an electronic signature that is included in any notice, rendition, application form, or completed application subject to an agreement under this section and that is required by certain chapters be considered to be a digital signature for purposes of Section 2054.060, Government Code, and that section applies to the electronic signature.

(n) Requires a tax official to accept and immediately confirm the receipt of a communication delivered electronically to the official by a property owner or a person designated by the property owner under Section 1.111(f).

SECTION 4. Amends Section 25.192(d), Tax Code, as follows:

(d) Deletes existing text requiring that the notice required by Section 25.192 (Notice of Residence Homestead Exemption Eligibility), if a property owner has elected to receive notices by e-mail as provided by Section 1.086, be sent in that manner separately from any other notice sent to the property owner by the chief appraiser.

SECTION 5. Amends Section 25.193(b), Tax Code, as follows:

(b) Deletes existing text requiring that the notice required by Section 25.193 (Notice of Certain Canceled or Reduced Exemptions), if a property owner has elected to receive notices by e-mail as provided by Section 1.086, be sent in that manner separately from any other notice sent to the property owner by the chief appraiser.

SECTION 6. Amends Section 41.461(c), Tax Code, as follows:

(c) Requires a chief appraiser to deliver information requested by a property owner or the agent of the owner under Subsection (a)(2):

(1) makes no changes to this subdivision;

(2) electronically, if the property owner or agent of the owner has elected to receive electronic communications from the chief appraiser, rather than in an electronic format as provided by an agreement, under Section 1.085; or

(3) makes no changes to this subdivision.

SECTION 7. Amends Section 41.47(d-1), Tax Code, as follows:

(d-1) Requires the chief appraiser, on written request submitted to the chief appraiser, to deliver by e-mail, in the manner provided by this subsection, a copy of the notice of issuance of the order and a copy of the order required by Subsection (d) (relating to requiring the ARB to deliver certain communications by mail) if the chief appraiser is not otherwise required to deliver the notice and order electronically, rather than if the property subject to the order is not the subject of an agreement, under Section 1.085.

SECTION 8. Repealers: Sections 1.085(b) (relating to requiring that an agreement between a chief appraiser and a property owner meet certain criteria) and (c) (relating to authorizing an agreement to address other matters), Tax Code.

Repealers: Sections 1.085(g) (relating to requiring the chief appraiser to enter into an agreement if a property owner whose property is included in 25 or more accounts in the appraisal records of the appraisal district requests the chief appraiser to enter into an agreement for the delivery of a certain notice) and (h) (relating to requiring the chief appraiser to provide notice regarding the availability of agreement forms authorizing electronic communication), Tax Code.

Repealers: Sections 1.085(k) (relating to prohibiting a decision by the chief appraiser not to enter into an agreement under this section from being reviewed by the ARB or be the subject of certain suits) and (l) (relating to requiring the chief appraiser, appraisal district, or ARB to deliver a notice electronically in a manner that allows for confirmation of receipt by the property owner or the person designated by the owner), Tax Code.

Repealer: Section 1.085(m) (relating to providing that a property owner need not enter into an agreement under this section to be entitled to electronic delivery of a notice of a protest hearing), Tax Code.

Repealer: Section 1.086 (Delivery of Certain Notices by E-Mail), Tax Code.

Repealer: Section 41.46(e) (relating to requiring the ARB to deliver notice of the hearing by electronic mail if, in the notice of protest, the property owner requests delivery by electronic mail and provides a valid electronic mail address), Tax Code.

SECTION 9. Makes application of this Act prospective.

SECTION 10. (a) Requires an appraisal district established in a county with a population of 120,000 or more and each taxing unit located wholly or primarily in such an appraisal district to comply with Section 1.085, Tax Code, as amended by this Act, beginning with the 2024 tax year.

(b) Requires an appraisal district established in a county with a population of less than 120,000 and each taxing unit located wholly or primarily in such an appraisal district to comply with Section 1.085, Tax Code, as amended by this Act, beginning with the 2025 tax year.

SECTION 11. Effective date: January 1, 2024.