

BILL ANALYSIS

S.B. 2355
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Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

State law currently requires a property owner seeking to appeal an appraisal review board order through binding arbitration to file the request and required deposit with the appraisal district. The current request process is entirely paper-driven and often creates a backlog of arbitration applications waiting to be processed, which delays the assignment of arbitrators. This is because applications tend to come in large batches in late summer and early fall, which then can take months to be fully processed. S.B. 2355 seeks to resolve this issue by removing the requirement that a request for binding arbitration and required deposit be filed with the appraisal district and instead allowing such a request and deposit to be filed directly with the comptroller of public accounts.

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

S.B. 2355 amends the Tax Code to change the entity with which a property owner must file a request for an appeal of an appraisal review board order through binding arbitration from the applicable appraisal district to the comptroller of public accounts. If the property owner files their request through an electronic system, the owner must pay their arbitration deposit through the electronic system. In the event the owner does not file through an electronic system, the owner must pay the deposit by check, money order, or other form of payment made acceptable by the comptroller. Accordingly, the bill replaces the requirement for the arbitration request form to require an owner to provide any information not otherwise required that is reasonably necessary for the appraisal district to request appointment of an arbitrator with a requirement for the form to require the owner to provide any other information reasonably necessary for the comptroller to process the request and appoint an arbitrator. Moreover, the bill requires the appraisal district, on notification that an arbitration request has been filed, to provide to the comptroller any information reasonably necessary for the comptroller to process the request and appoint an arbitrator.

S.B. 2355 requires the designation of an agent by a property owner to represent the owner during binding arbitration to be made by written authorization on a form prescribed by the comptroller and signed by the owner or an authorized individual other than an agent designated to act for the owner under the Property Tax Code. The designation must authorize the agent to represent the owner in a binding arbitration proceeding and the designation takes effect when the owner

or authorized individual signs the form. The bill requires an agent to retain the form and produce the form immediately upon request from any of the following persons:

- the property owner or authorized individual;
- the appraisal district that is party to the binding arbitration;
- the appraisal review board that is party to the arbitration;
- the arbitrator assigned to the arbitration; or
- the comptroller.

The bill authorizes the owner to assign to an agent or entity the owner's right to receive a refund of an arbitration deposit and requires this assignment to be made in writing on a form prescribed by the comptroller.

S.B. 2355 establishes that a settlement reached between the parties to the arbitration is considered to be a final determination of an appeal for purposes of provisions establishing postappeal administrative procedures.

S.B. 2355 applies only to a request for arbitration made on or after the bill's effective date.

EFFECTIVE DATE

January 1, 2024.