

By: Button

H.B. No. 3364

A BILL TO BE ENTITLED

AN ACT

relating to the system for appraising property for ad valorem tax purposes.

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

SECTION 1. Section 1.07(d), Tax Code, is amended to read as follows:

(d) A notice required by Section 11.43(q), 11.45(d), 23.44(d), 23.46(c) or (f), 23.54(e), 23.541(c), 23.55(e), 23.551(a), 23.57(d), 23.76(e), 23.79(d), or 23.85(d) must be sent by certified mail. A notice required by Section 25.19(a)(3) pertaining to property that was not on the appraisal roll in the preceding year because it was omitted from the roll must be sent by certified mail.

SECTION 2. Section 1.111(k), Tax Code, is amended to read as follows:

(k) On written request by the chief appraiser, an agent who electronically submits a designation of agent form shall provide the chief appraiser information concerning:

(1) the electronic signature of the person who signed the form; and

(2) the date the person signed the form [~~and~~
~~(3) the Internet Protocol address of the computer the person used to complete the form~~].

SECTION 3. Section 5.041, Tax Code, is amended by amending

1 Subsections (b) and (e-1) and adding Subsection (e-4) to read as
2 follows:

3 (b) A member of the appraisal review board established for
4 an appraisal district must complete the course established under
5 Subsection (a). The course must provide at least 10 [~~eight~~] hours
6 of classroom or distance training and education. A member of the
7 appraisal review board may not participate in a hearing conducted
8 by the board unless the person has completed the course established
9 under Subsection (a) and received a certificate of course
10 completion.

11 (e-1) In addition to the course established under
12 Subsection (a), the comptroller shall approve curricula and provide
13 materials for use in a continuing education course for members of an
14 appraisal review board. The course must provide at least six
15 [~~four~~] hours of classroom or distance training and education. The
16 curricula and materials must include information regarding:

17 (1) the cost, income, and market data comparison
18 methods of appraising property;

19 (2) the appraisal of business personal property;

20 (3) the determination of capitalization rates for
21 property appraisal purposes;

22 (4) the duties of an appraisal review board;

23 (5) the requirements regarding the independence of an
24 appraisal review board from the board of directors and the chief
25 appraiser and other employees of the appraisal district;

26 (6) the prohibitions against ex parte communications
27 applicable to appraisal review board members;

1 (7) the Uniform Standards of Professional Appraisal
2 Practice;

3 (8) the duty of the appraisal district to substantiate
4 the district's determination of the value of property;

5 (9) the requirements regarding the equal and uniform
6 appraisal of property;

7 (10) the right of a property owner to protest the
8 appraisal of the property as provided by Chapter 41; and

9 (11) a detailed explanation of each of the actions
10 described by Sections 25.25, 41.41(a), 41.411, 41.412, 41.413,
11 41.42, and 41.43 so that members are fully aware of each of the
12 grounds on which a property appraisal can be appealed.

13 (e-4) At least one trainer of the courses established under
14 Subsections (a) and (e-1) must be a taxpayer representative.

15 SECTION 4. Section 6.035(a-1), Tax Code, is amended to read
16 as follows:

17 (a-1) An individual is ineligible to serve on the board of
18 directors of an appraisal district if the individual:

19 (1) has served as a member of the board of directors
20 for all or part of three [~~five~~] terms, unless:

21 (A) the individual was the county
22 assessor-collector at the time the individual served as a board
23 member; or

24 (B) the appraisal district is established in a
25 county with a population of less than 120,000;

26 (2) has engaged in the business of appraising property
27 for compensation for use in proceedings under this title at any time

1 during the preceding three years;

2 (3) has engaged in the business of representing
3 property owners for compensation in proceedings under this title in
4 the appraisal district at any time during the preceding three
5 years; or

6 (4) has been an employee of the appraisal district at
7 any time during the preceding three years.

8 SECTION 5. Subchapter A, Chapter 6, Tax Code, is amended by
9 adding Section 6.17 to read as follows:

10 Sec. 6.17. INTERNET WEBSITE REQUIRED FOR POPULOUS
11 DISTRICTS. An appraisal district established in a county with a
12 population of 120,000 or more shall maintain an Internet website.

13 SECTION 6. Section 25.02, Tax Code, is amended by adding
14 Subsection (a-1) to read as follows:

15 (a-1) This subsection applies only to an appraisal district
16 established in a county with a population of 120,000 or more. The
17 chief appraiser shall post on the appraisal district's Internet
18 website the district's appraisal records, other than records that
19 are confidential under law, and must continuously update the posted
20 records to include any change in the appraised value of property.

21 SECTION 7. Section 41.45(b-1), Tax Code, as amended by
22 Chapters 965 (S.B. 1919) and 644 (H.B. 988), Acts of the 87th
23 Legislature, Regular Session, 2021, is reenacted and amended to
24 read as follows:

25 (b-1) An appraisal review board shall conduct a hearing on a
26 protest by telephone conference call or by videoconference, as
27 specified by the property owner at the owner's election, if the

1 property owner notifies the board that the property owner intends
2 to appear by telephone conference call or videoconference in the
3 owner's notice of protest or by written notice filed with the board
4 not later than the fifth [~~10th~~] day before the date of the hearing.

5 SECTION 8. Section 41.45, Tax Code, is amended by adding
6 Subsection (e-3) to read as follows:

7 (e-3) This subsection applies only to a protest dismissed by
8 an appraisal review board because the property owner or the owner's
9 designated agent did not appear at the hearing on the protest. The
10 appraisal review board shall deliver written notice of the board's
11 dismissal to the property owner or the agent who failed to appear
12 not later than the 30th day after the date the hearing on the
13 protest was scheduled to be held.

14 SECTION 9. Section 41.61(c), Tax Code, is amended to read as
15 follows:

16 (c) An appraisal review board may not issue a subpoena under
17 this section unless the board holds a hearing at which the board
18 determines that good cause exists for the issuance of the subpoena.
19 The appraisal review board before which a good cause hearing is
20 scheduled shall deliver written notice to the party being
21 subpoenaed and parties to the protest of the date, time, and place
22 of the hearing. The board shall deliver the notice not later than
23 the 15th [~~5th~~] day before the date of the good cause hearing. The
24 party being subpoenaed must have an opportunity to be heard at the
25 good cause hearing.

26 SECTION 10. Chapter 41A, Tax Code, is amended by adding
27 Section 41A.011 to read as follows:

Sec. 41A.011. RIGHT TO APPEAL BY PERSON LEASING PROPERTY.

(a) As an alternative to filing an appeal under Section 42.015, a person leasing property who is contractually obligated to reimburse the property owner for taxes imposed on the property is entitled to appeal through binding arbitration under this chapter an appraisal review board order determining a protest concerning the appraised or market value of property if:

(1) the protest was brought by:

(A) the person under Section 41.413; or

(B) the property owner if the property owner does not appeal the order; and

(2) the appraised or market value, as applicable, of the property as determined by the order is \$5 million or less.

(b) A person appealing an order of the appraisal review board under this section is considered the owner of the property for purposes of the appeal. The chief appraiser shall deliver a copy of any notice relating to the appeal to the owner of the property and to the person bringing the appeal.

SECTION 11. Section 41A.015(a), Tax Code, is amended to read as follows:

(a) A property owner who has filed a notice of protest under Chapter 41 may file a request for limited binding arbitration under this section to compel the appraisal review board or chief appraiser, as appropriate, to:

(1) comply with the model hearing procedures prepared by the comptroller under Section 5.103, including by rescinding ~~rescind~~ procedural rules adopted by the appraisal review board

1 that are not in compliance with the model hearing procedures
2 [~~prepared by the comptroller under Section 5.103~~];

3 (2) schedule a hearing on a protest as required by
4 Section 41.45;

5 (3) deliver information to the property owner in the
6 manner required by Section 41.461;

7 (4) allow the property owner to offer evidence,
8 examine or cross-examine witnesses or other parties, and present
9 arguments as required by Section 41.66(b);

10 (5) set a hearing for a time and date certain and
11 postpone a hearing that does not begin within two hours of the
12 scheduled time as required by Section 41.66(i);

13 (6) schedule hearings on protests concerning multiple
14 properties identified in the same notice of protest on the same day
15 at the request of the property owner or the property owner's
16 designated agent as required by Section 41.66(j); ~~or~~

17 (7) refrain from using or offering as evidence
18 information requested by the property owner under Section 41.461
19 that was not delivered to the property owner at least 14 days before
20 the hearing as required by Section 41.67(d); or

21 (8) use correct appraised values for protests on the
22 ground of unequal appraisal of property.

23 SECTION 12. Section 1.111(k), Tax Code, as amended by this
24 Act, applies only to a written request for information made by a
25 chief appraiser on or after the effective date of this Act. A
26 written request for information made under that subsection before
27 the effective date of this Act is governed by the law in effect on

1 the date the request was made, and the former law is continued in
2 effect for that purpose.

3 SECTION 13. (a) Sections 5.041(b) and (e-1), Tax Code, as
4 amended by this Act, apply only to an appraisal review board member
5 appointed to serve a term of office that begins on or after the
6 effective date of this Act.

7 (b) Section 5.041(e-4), Tax Code, as added by this Act,
8 applies only to a course provided under Section 5.041(a) or (e-1),
9 Tax Code, on or after the effective date of this Act.

10 SECTION 14. Section 6.035(a-1), Tax Code, as amended by
11 this Act, applies only to the eligibility of a person to serve on
12 the board of directors of an appraisal district for a term that
13 begins on or after the effective date of this Act.

14 SECTION 15. Section 41.45, Tax Code, as amended by this Act,
15 applies only to a protest under Chapter 41, Tax Code, for which a
16 notice of protest is filed by a property owner on or after the
17 effective date of this Act. A protest under Chapter 41, Tax Code,
18 for which a notice of protest is filed by a property owner before
19 the effective date of this Act is governed by the law in effect on
20 the date the notice of protest was filed, and the former law is
21 continued in effect for that purpose.

22 SECTION 16. Section 41.61(c), Tax Code, as amended by this
23 Act, applies only to a subpoena issued under that section on or
24 after the effective date of this Act. A subpoena issued under that
25 section before the effective date of this Act is governed by the law
26 in effect on the date the subpoena was issued, and the former law is
27 continued in effect for that purpose.

1 SECTION 17. This Act takes effect September 1, 2023.