By: Little H.B. No. 1088

A BILL TO BE ENTITLED

AN ACT

relating to ad valorem tax remedies.

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

SECTION 1. Section 5.07, Tax Code, is amended by adding Subsection (k) to read as follows:

(k) The comptroller shall prescribe the form that an appraisal review board shall use to make a determination required to be made by written order under this title. The form must require an appraisal review board to include for the property subject to the order the property owner's name, the property's identification number, the property's legal description and physical address, and any other information the comptroller determines necessary. The comptroller shall post the form on the comptroller's Internet website.

SECTION 2. Section 25.19, Tax Code, is amended by amending Subsection (f) and adding Subsection (p) to read as follows:

(f) In the notice of appraised value for real property, the chief appraiser shall list separately:

(1) the market value of the land; [~~and~~]

(2) the market value of each structure and other improvement identified in the notice; and

(3) the total market value of the structures and other improvements on the property.

(p) The chief appraiser shall indicate the appraisal

district account number for the property in each notice required by this section.

SECTION 3. Section 25.25, Tax Code, is amended by adding Subsection (q) to read as follows:

(q) Upon the filing of any motion under Subsection (c), the chief appraiser shall notify the tax assessor collector for the jurisdictions potentially impacted by the motion and such notice shall operate to abate any collections of the account until such time as the motion is resolved by order of the appraisal review board.

SECTION 4. Section 33.48, Tax Code, is amended by adding Subsection (e) read as follows:

(e) Costs enumerated in Subsection (a) that accrue after the collector receives notice of a pending motion filed under 25.25 (c) shall not be a charge against the defendant provided the defendant prevails in the motion.

SECTION 5. Section 41.47, Tax Code, is amended by adding Subsection (h) to read as follows:

(h) The comptroller shall prescribe the form for the motion set forth in Subsections (g) and (g-1) that the appraisal district must adhere to.

SECTION 6. Section 41A.09, Tax Code, is amended by adding Subsection (f) to read as follows:

(f) The arbitrator may not determine the appraised value of the property that is the subject of an arbitration to be an amount greater than the appraised value of the property as shown in the appraisal records submitted to the appraisal review board by the

chief appraiser under Section 25.22 or 25.23, except as requested and agreed to by the property owner.

SECTION 7. Section 42.01, Tax Code, is amended by adding Subsection (d) to read as follows:

(d) Notwithstanding Subsection (a), a person who owned property at any time during a tax year but no longer owns the property is entitled to file an appeal under this chapter as if the person were the current owner of the property, regardless of whether the person is the person subject to an order described by that subsection.

SECTION 8. Section 42.015(a), Tax Code, is amended to read as follows:

(a) A person leasing property who is contractually obligated to reimburse the property owner for taxes imposed on the property is entitled to appeal an order of the appraisal review board determining a protest relating to the property:

(1) brought by the person under Section 41.413; or

(2) brought by the property owner [~~if the property owner does not appeal the order~~].

SECTION 9. Section 42.21, Tax Code, is amended by adding Subsection (a-1) to read as follows:

(a-1) Subject to Subsection (a), a party may file a petition for review under this section at any time after:

(1) the protest hearing, regardless of whether the party has received notice that a final order has been entered;

(2) the chief appraiser and the party have agreed to a disposition of the protest and requesting the board to issue an

agreed order under Section 41.47(g) or (g-1); or

(3) submitting an affidavit to the board hearing the protest under Section 41.45(b).

SECTION 10. Section 42.23, Tax Code, is amended by adding Subsections (a-1), (a-2), (l), (m), (n), and (o), to read as follows:

(a-1) A chief appraiser, appraisal district, or appraisal review board may not bring a counterclaim in an appeal brought under this chapter.

(a-2) An appraisal district may not seek affirmative relief in an appeal brought under this chapter.

(l) An entity is not required to be registered to do business in this state in order to file an appeal under this chapter or to be considered a proper party to bring a petition. A formal or informal request for information regarding an entity's registration status:

(1) is outside the scope of permissible discovery in an appeal under this chapter;

(2) may not be made a prerequisite to a settlement discussion related to that appeal; and

(3) may be grounds for sanctions by the court on the motion of a party.

(m) A court may not enter an order, including a protective order under Rule 192.6 of the Texas Rules of Civil Procedure, that conflicts with this section.

(n) A party to an appeal under this chapter may file an objection to third-party discovery. The court shall grant

third-party discovery subject to the objection only if the discovery:

(1) is necessary under generally accepted appraisal methods and techniques to determine the value of the property that is the subject of the appeal; and

(2) would be admissible at trial.

(o) A party to an appeal under Section 42.26 may file an objection to a discovery request for a closing statement, a rent roll, or an operating statement. The court shall grant the discovery request subject to the objection only if the discovery:

(1) is necessary under generally accepted appraisal methods and techniques to determine the value of the property that is the subject of the appeal; and

(2) would be admissible at trial.

SECTION 11. Subchapter B, Chapter 42, Tax Code, is amended by adding Section 42.232 to read as follows:

Sec. 42.232. TRIAL DATE. (a) A district court may not set a trial date on an appeal that is less than 12 months after the date the appeal is filed, unless requested by the plaintiff.

(b) On request of a party to an appeal, the district court shall:

(1) grant a continuance if the party requesting the continuance has not previously been granted a continuance;

(2) set a new trial date that is not less than six months after the date for which the trial was set at the time the request was made; and

(3) extend all litigation, expert witness

designation, and discovery deadlines consistent with Section 42.23 or as agreed by the parties.

(c) The district court may grant additional trial continuances at the court's discretion.

SECTION 12. Section 42.26, Tax Code, is amended by adding Subsection (e) to read as follows:

(e) A district court may not determine the appraised value of the property that is subject to an appeal under this section to be an amount greater than the appraised value of the property as shown in the appraisal records submitted to the board by the chief appraiser under Section 25.22 or 25.23.

SECTION 13. Subchapter B, Chapter 42, Tax Code, is amended by adding Section 42.31 to read as follows:

Sec. 42.31. TRANSFER OF APPEAL TO STATE OFFICE OF ADMINISTRATIVE HEARINGS. On request of a property owner who is a party to an appeal under this chapter and who was eligible to file the appeal under Subchapter Z, Chapter 2003, Government Code, the district court shall transfer the appeal to the State Office of Administrative Hearings to determine the appeal under that subchapter. The property owner may only make this request for properties which are set for trial and must make the request not later than the 30th day before the date on which the trial is set to begin.

SECTION 14. The changes in law made by this Act apply only to ad valorem taxes imposed for a tax year that begins on or after the effective date of this Act.

SECTION 15. This Act takes effect January 1, 2028.