

- SUBJECT:** Annual training for appraisal review board members
- COMMITTEE:** Local Government Ways and Means — favorable, without amendment
- VOTE:** 5 ayes — Hill, Hamilton, Puente, Quintanilla, Uresti
0 nays
2 absent — Elkins, Laubenberg
- WITNESSES:** For — Dan Hart, Marc Levin, Taxpayers for Equal Appraisal; Betty Lee Hart
Against — None
On — Dan Wilson, Comptroller
- BACKGROUND:** Appraisal Review Boards (ARBs) resolve disputes between taxpayers and appraisal districts. The Tax Code requires an ARB to:
1. determine protests initiated by property owners;
 2. determine challenges initiated by taxing units;
 3. correct clerical errors in appraisal records and appraisal rolls;
 4. correct appraisal rolls; and
 5. determine proper granting of exemptions and partial exemptions and whether land properly is appraised
- Appraisal districts appoint members from the community to serve on ARBs for staggered, two-year terms. Appraisal district employees, among others, may not serve on ARBs. Term limits and sizes of ARBs depend on county population.
- Until 1997, ARB members had no uniform education or training requirements and arranged training with their appraisal districts. In 1997, the Tax Code was amended to require the Comptroller's Office to offer a training course for ARB members to standardize education and prevent improper influence on ARB members from appraisal districts.
- The comptroller approves training curricula and materials, produces a training manual, and supervises the course, which ARB members must

complete one time. The comptroller may charge up to \$50 per trainee per course and issues certificates of completion at the end of the course.

DIGEST:

HB 824 would require ARB members annually to complete a training course designed and administered by the Comptroller's Office. An ARB member would have to complete the course and receive a certificate of completion to participate in hearings conducted by the board. Each subsequent tax year of service, the member would have to re-take the course and renew the certificate before May 1 to continue participating in hearings.

The bill would require public notification of training courses, including the date, time, and location of classes.

The bill would take effect January 1, 2006.

SUPPORTERS
SAY:

Sky-rocketing appraisals have driven up property tax bills. To ensure unfair valuations are handled properly through the ARB, HB 824 would require annual training from the Comptroller's Office, a more objective training source than the ARB itself. Training standards have not been revised in nearly eight years, and current training does not keep pace with changing laws. An annual course would strengthen ARB member education, training members regularly on exactly what may and may not be done during the appeals process. ARB members have varying educational and work backgrounds, and more frequent training would better prepare members to handle complex appraisal issues.

The appraisal system often is accused of inflating values, and ARBs are under great pressure to resolve appeals. In 2004, 184,840 appeals were heard, and the public increasingly is critical of how these appeals are resolved. HB 824 would help allay negative public perceptions, assuring that ARB members were equipped skillfully and fairly to resolve appeals.

The cost of the bill would not be assigned to local appraisal districts because it would require no further expansion of local training programs.

Requiring public notices would give the public more opportunity to be involved and to enhance their own knowledge of appraisal and appeal procedures. It also would make ARB decisions more transparent.

OPPONENTS
SAY:

HB 824 would expand the comptroller's ARB training program without providing a funding source. Added training would increase the cost of training materials and venue use. The Comptroller's Office now provides training at 21 regional education venues. In 2004, there were 1,492 ARB members, of which 351 were new members. About 1,045 people attended the course last year, including 643 voluntary participants. HB 824 could increase course attendance by 135 percent, straining the agency's budget and regional venue capacity. The San Antonio venue, the state's largest, has a 97-person capacity, while the Wichita Falls and San Angelo venues accommodate around 20.

The comptroller now charges \$10 per participant, even though current law allows a \$50 fee, because ARB training venues usually are donated to the agency for day use. Fees could triple to accommodate new training demands.

OTHER
OPPONENTS
SAY:

While ARB training is critical to the appeal process, it should be enhanced at the supplemental level instead of by the comptroller. Supplemental training is flexible and allows both large and small counties to seek training when necessary. The Texas Association of Appraisal Districts (TAAD) offers regional training seminars at least 12 times a year, with seminars on hearing procedures, evaluating evidence, renditions, public records, ethics, exemptions, unequal appraisals, and late protests. Experienced tax attorneys conduct seminars on complex legal issues, whereas current law does not authorize the comptroller to provide this kind of training. HB 824 would not offer meaningful training to ARB members because the information offered in the comptroller's manual is the same information offered through the course. TAAD training is more valuable and should be counted toward the bill's mandatory annual training requirement.

HB 824 also should impose stricter penalties on ARB members for not attending annual training.