

SUBJECT: Requiring an appraisal review board to hold certain closed hearings

COMMITTEE: Ways and Means — favorable, without amendment

VOTE: 6 ayes — Hilderbran, Otto, Bohac, Button, Ritter, Strama
1 nay — N. Gonzalez
2 absent — Eiland, Martinez Fischer

WITNESSES: For — Roland Altinger, Texas Association of Appraisal Districts;
(*Registered, but did not testify:* George Allen, Texas Apartment Association; Sylvia Borunda Firth, City of El Paso; George Christian, Texas Taxpayers and Research Association; Marya Crigler, Texas Association of Appraisal Districts Legislative Committee, Travis Central Appraisal District; Liza Firmin, Chesapeake Energy; John Kennedy, Texas Taxpayers and Research Association; James LeBas, AECT, Texas Oil and Gas Association, Texas Chemical Council; Windy Nash, Texas Association of Appraisal Districts and Dallas Central Appraisal District; Craig Pardue, Dallas County; Jim Robinson, Texas Association of Appraisal Districts Legislative Committee; Brent South, Hunt County Appraisal District, Texas Association of Appraisal Districts)
Against — Rodrigo Carreon

DIGEST: HB 2792 would amend Tax Code, sec. 41.66, to require an appraisal review board that is hearing a protestation of a property value to close the hearing to the public if the property owner or the chief appraiser intends to disclose propriety or confidential information. A joint motion by the property owner and chief appraiser would be required to close the hearing.
The bill would take effect immediately if it receives two-thirds vote from each house. Otherwise, it would take effect on September 1, 2013.

SUPPORTERS SAY: HB 2792 would help eliminate unnecessary litigation stemming from property owners protesting their valuations with an appraisal district.
Closing some protest hearings to the public would allow appraisal review boards and property owners to effectively communicate the reasons and

issues at the heart of the protest. Often, those reasons focus on proprietary or confidential information that property owners are reluctant to share in public. The inability to close a hearing could prevent a protest from being resolved and prompt a property owner to file a lawsuit. Litigation is expensive for both the property owner and the taxpayer-funded appraisal review board.

The bill also would offer protection to businesses so that any disclosure about their property was not used against them by a competitor.

Several appraisal districts have said they are experiencing a growing concern for privacy by property owners.

**OPPONENTS
SAY:**

Decisions made by local governments are best when they happen as much as possible in the open. CSHB 2792 would extinguish an important requirement that allows the public access to the proceedings of an appraisal review board hearing.

Understanding how a panel reaches its conclusions on property valuation protests is important information to a community. Taxpayers are able to compare their property's value to similar properties, and they also can monitor whether values set for commercial properties are fair. The bill would take away that critical component of protest hearings in an effort to reduce the number of lawsuits. It is doubtful that the number of lawsuits stemming from the requirement for open hearings has reached such a level as to require this change in the state's policy toward open government.