

- SUBJECT:** Revising the system for appraising property for tax purposes
- COMMITTEE:** Ways and Means — committee substitute recommended
- VOTE:** 9 ayes — Meyer, Thierry, Button, Cole, Guerra, Murphy, Noble, Rodriguez, Shine
- 0 nays
- 2 absent — Martinez Fischer, Sanford
- SENATE VOTE:** On final passage, April 23 — 31-0, on Local and Uncontested Calendar
- WITNESSES:** For — Paul Pennington, Citizens For Appraisal Reform; Roland Altinger, Texas Association Appraisal Districts; Richard DeOtte; (*Registered, but did not testify*: Galt Graydon, Citizens for Appraisal Reform; Roland Altinger, Hcad; Daniel Gonzalez and Stephen Grant, Popp Hutcheson PLLC; Scott Retzloff, Ryan, LLC; Russell Schaffner, Tarrant County; James LeBas, Texas Association Manufacturers, AECT, Texas Apartment Association; J.D. Hale, Texas Association of Builders; R. Clint Smith, Texas Association of Property Tax Professionals; Carl Walker, Texas Taxpayers and Research Association; Yvette DeOtte)
- Against — None
- On — (*Registered, but did not testify*: Korry Castillo, Comptroller of Public Accounts)
- BACKGROUND:** Some have suggested a need to address governance of appraisal districts and transparency in the process of appraising property for tax purposes, as well as the responsiveness of the process to taxpayers.
- DIGEST:** CSSB 63 would revise the system for appraising property for tax purposes.

Electronic delivery and receipt. The bill would give the comptroller the

option to send any document, payment, notice, report, or other item required to be sent under the Property Tax Code electronically. The comptroller also could require, after providing notice, that any such notice be submitted electronically. The comptroller could adopt rules to administer these provisions, including rules specifying the format of an item electronically submitted to or sent by the comptroller.

Appraisal review board member training. CSSB 63 would allow required training and continuing education courses for appraisal review board (ARB) members to be provided as distance courses. The comptroller could adopt rules to implement this provision, including rules establishing criteria for course availability and for demonstrating course completion.

Appraisal district board member. An individual would be ineligible to serve on the board of directors of an appraisal district if the individual:

- served as a member of the board for all or part of five terms, unless the individual also was the county assessor-collector or the appraisal district was in a county with a population under 120,000;
- engaged in the business of appraising property for compensation at any time in the preceding three years; or
- had been an employee of the appraisal district at any time during the preceding three years.

The bill would not affect the eligibility of a person serving as an appointed member of the board of directors immediately before the effective date of the bill to continue to serve the remainder of the term. Service as an appointed member of a board before January 1, 2022, would not count for purposes of determining whether a person was ineligible to serve on the board.

Appraisal district employee. An individual could not be employed by an appraisal district if the individual had served as a member of the ARB for the district at any time during the preceding two years.

This provision would apply only to a former member of an ARB first employed by an appraisal district on or after the bill's effective date.

Grounds for removal of ARB member. The bill would specify that no later than 90 days after learning of a potential ground from removal of an ARB member, the board of directors, local administrative district judge, or judge's designee would have to remove the member or find by official action that the member's removal was not warranted.

This provision would apply only to a potential ground for removal of an ARB member that was first learned of on or after the effective date.

Property tax exemption, appraisal applications. The bill would specify that for an application for a property tax exemption, the chief appraiser would have to approve, modify, disapprove, or deny the application as soon as practicable but no later than 90 days after the applicant first qualified for the exemption or the date the applicant provided necessary information to determine their right to the exemption, whichever was later.

If the chief appraiser required additional information from an applicant, the chief appraiser would have to, as soon as practicable but no later than 30 days after the application was filed, deliver a written notice to the applicant specifying the additional information needed to determine the exemption.

If the chief appraiser modified or denied an application, the chief appraiser would have to fully explain each reason for modifying or denying the application in the required notice delivered to the applicant.

These provisions also would apply to applications to appraise land as agricultural use land; timber land; restricted-use timber land; recreational, park, and scenic land; and public access airport property.

The bill would apply only to an application filed on or after the effective date and to a notice required to be delivered on or after that date.

Correction of appraisal roll. If a request for hearing regarding the correction of an appraisal roll was made on or after January 1 but before September 1, the ARB would have to schedule the hearing to be held as soon as practicable but no later than 90 days after the date the ARB approved the appraisal records.

If a request was made on or after September 1 but before January 1 of the following tax year, the ARB would have to schedule the hearing to be held as soon as practicable but no later than 90 days after the date the request was made.

These provisions would apply only to a motion to correct an appraisal roll filed on or after the bill's effective date.

Notice of protest. If a notice of protest form included boxes a property owner was required to select from to indicate the reason the owner was filing a protest, the form would have to permit an owner who believed that the owner's property was appraised at a value exceeding its appraised value, was appraised unequally, or both, to select a single box to indicate that the person was filing a protest for either or both reasons.

Protest hearing. The bill would require an ARB to schedule a hearing on a protest to be held as soon as practicable but no later than 90 days after the date the board approved the appraisal records.

Electronic reminder. In addition to the written notice of a protest hearing required under current law, the ARB of an appraisal district in a county with a population of 120,000 or more would have to deliver an electronic reminder to the property owner initiating the protest on request. The owner could request that delivery of the electronic reminder be made by email or text message.

The ARB would have to deliver the electronic reminder no earlier than seven days after the written notice was delivered and no later than the day before the hearing. Failure to deliver the electronic reminder would not be

considered failure to provide or deliver a written protest notice.

Evidence. The bill would prohibit the chief appraiser from offering evidence or argument at a protest hearing in support of a reason for modifying or denying an application other than a reason stated in a notice delivered to the applicant unless the chief appraiser:

- provided written notice to the property owner of the additional reason for modifying or denying the application no later than 14 days before the hearing; and
- established that the additional reason was not known to the chief appraiser at the time the chief appraiser delivered notice to the applicant.

The bill would apply only to a protest for which the notice of protest was filed on or after the bill's effective date.

The bill would take effect September 1, 2021.