(B) a committee authorized under state or federal law to receive reports under Section 301.4025(b); or

(C) an individual or committee authorized by the nurse's employer or another entity at which the nurse is authorized to practice; and

(3) made the report not later than:

(A) the fifth day after the date the nurse became aware of the situation if the situation involves a single incident; or

(B) the fifth day after the date the nurse became aware of the most recent occurrence of the situation if the situation involves multiple incidents or a pattern of behavior.

(i) For purposes of Subsection (h), "supervisor" means an individual who has authority over the responsibilities of the nurse making the report or an individual who is in the nurse's chain of command.

(j) The following provisions of Chapter 554, Government Code, apply to a lawsuit under Subsection (g):

(1) the type of relief and the amount of damages available to a public employee under Section 554.003;

(2) the time during which a public employee must seek relief under Section 554.005; and

(3) the requirement that a public employee use the grievance or appeal procedures of the state or local governmental entity before suing for relief under Section 554.006.

(k) A lawsuit under Subsection (g) against a state governmental entity shall be brought in a district court in Travis County or a county in which all or part of the acts or omissions giving rise to the cause of action occurred.

(l) A lawsuit under Subsection (g) against a local governmental entity shall be brought in a district court in a county in which all or part of the entity is located.

SECTION 2. The change in law made by this Act to Section 301.413, Occupations Code, applies to an action commenced on or after the effective date of this Act. An action commenced before the effective date of this Act is governed by the law as it existed immediately before the effective date of this Act, and that law is continued in effect for that purpose.

SECTION 3. This Act takes effect September 1, 2013.

Passed by the House on May 10, 2013: Yeas 100, Nays 28, 2 present, not voting; the House concurred in Senate amendments to H.B. No. 581 on May 23, 2013: Yeas 131, Nays 14, 2 present, not voting; passed by the Senate, with amendments, on May 21, 2013: Yeas 22, Nays 9.

Approved June 14, 2013.

Effective September 1, 2013.

CHAPTER 1259

H.B. No. 585

relating to ad valorem taxation; creating an offense.

Be it enacted by the Legislature of the State of Texas:

SECTION 1. Section 1151.1581, Occupations Code, is amended by adding Subsection (f) to read as follows:

(f) As part of the continuing education requirements for a registered professional appraiser who is the chief appraiser of an appraisal district, the commission by rule shall require the registrant to complete: 3182
(1) at least half of the required hours in a program devoted to one or more of the topics listed in Section 1151.164(b); and

(2) at least two of the required hours in a program of professional ethics specific to the chief appraiser of an appraisal district, including a program on the importance of maintaining the independence of an appraisal office from political pressure.

SECTION 2. Section 5.041, Tax Code, is amended by adding Subsection (b-1) and amending Subsections (e-2) and (f) to read as follows:

(b-1)At the conclusion of a course established under Subsection (a), each member of an appraisal review board in attendance shall complete a statement, on a form prescribed by the comptroller, indicating that the member will comply with the requirements of this title in conducting hearings.

(e-2) During [As soon as practicable after the beginning of] the second year of an appraisal review board member's term of office, the member must successfully complete the course established under Subsection (e-1). At the conclusion of the course, the member must complete a statement described by Subsection (b-1). A person may not participate in a hearing conducted by the board, vote on a determination of a protest, or be reappointed to an additional term on the board until the person has completed [who fails to timely complete] the course established under Subsection (e-1) and has received a certificate of course completion [may not be reappointed to an additional term on the appraisal review board]. If the person is reappointed to an additional term on the appraisal review board, the person must successfully complete the course established under Subsection (e-1) and comply with the other requirements of this subsection in each year the member continues to serve.

(f) The comptroller may not advise a property owner, a property owner's agent, or the chief appraiser or another employee of an appraisal district[,] or an appraisal office[, or an appraisal office board] on a matter that the comptroller knows is the subject of a protest to the appraisal review board. The comptroller may provide advice to an appraisal review board member as authorized by Subsection (a)(4) of this section or Section 5.103 and may communicate with the chairman of an appraisal review board or a taxpayer liaison officer concerning a complaint filed under Section 6.052.

SECTION 3. Chapter 5, Tax Code, is amended by adding Section 5.103 to read as follows:

Sec. 5.103. APPRAISAL REVIEW BOARD OVERSIGHT. (a) The comptroller shall prepare model hearing procedures for appraisal review boards.

(b) The model hearing procedures shall address:

(1) the statutory duties of an appraisal review board;
(2) the process for conducting a hearing;
(3) the scheduling of hearings;
(4) the postponement of hearings;
(5) the notices required under this title;
(6) the determination of good cause under Section 41.14(b);
(7) the determination of good cause under Sections 41.15(e) and (e-1);
(8) a party's right to offer evidence and argument;
(9) a party's right to examine or cross-examine witnesses or other parties;
(10) a party's right to appear by an agent;
(11) the prohibition of an appraisal review board's consideration of information not provided at a hearing;
(12) ex parte and other prohibited communications;
(13) the exclusion of evidence at a hearing as required by Section 41.67(d);
(14) the postponement of a hearing as required by Section 41.66(h);
(15) conflicts of interest;
(16) the process for the administration of applications for membership on an appraisal review board; and

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(17) any other matter related to fair and efficient appraisal review board hearings.

(c) The comptroller may:

(1) categorize appraisal districts based on the size of the district, the number of protests filed in the district, or similar characteristics; and

(2) develop different model hearing procedures for different categories of districts.

(d) An appraisal review board shall follow the model hearing procedures prepared by the comptroller when establishing its procedures for hearings as required by Section 41.66(a).

(e) The comptroller shall prescribe the contents of a survey form for the purpose of providing the public a reasonable opportunity to offer comments and suggestions concerning the appraisal review board established for an appraisal district. The survey form must permit a person to offer comments and suggestions concerning the matters listed in Subsection (b) or any other matter related to the fairness and efficiency of the appraisal review board. The survey form, together with instructions for completing the form and submitting the form, shall be provided to each property owner at or before each hearing on a protest conducted by an appraisal review board. The appraisal office may provide clerical assistance to the comptroller for purposes of the implementation of this subsection, including assistance in providing and receiving the survey form. The comptroller, or an appraisal office providing clerical assistance to the comptroller, may provide for the provision and submission of survey forms electronically.

(f) The comptroller shall issue an annual report summarizing the survey forms submitted by property owners concerning each appraisal review board. The report may not disclose the identity of a person who submits a survey form.

SECTION 4. Section 6.035, Tax Code, is amended by adding Subsection (a-i) to read as follows:

(a-i) An individual is ineligible to serve on an appraisal district board of directors if the individual has engaged in the business of appraising property for compensation for use in proceedings under this title or of representing property owners for compensation in proceedings under this title in the appraisal district at any time during the preceding five years.

SECTION 5. Sections 6.05(c) and (d), Tax Code, are amended to read as follows:

(c) The chief appraiser is the chief administrator of the appraisal office. Except as provided by Section 6.0501, the chief appraiser is appointed by and serves at the pleasure of the appraisal district board of directors. If a taxing unit performs the duties of the appraisal office pursuant to a contract, the assessor for the unit is the chief appraiser. To be eligible to be appointed or serve as a chief appraiser, a person must be certified as a registered professional appraiser under Section 1151.160, Occupations Code, possess an MAI professional designation from the Appraisal Institute, or possess an Assessment Administration Specialist (AAS), Certified Assessment Evaluator (CAE), or Residential Evaluation Specialist (RES) professional designation from the International Association of Assessing Officers. A person who is eligible to be appointed or serve as a chief appraiser by having a professional designation described by this subsection must become certified as a registered professional appraiser under Section 1151.160, Occupations Code, not later than the fifth anniversary of the date the person is appointed or begins to serve as chief appraiser. A chief appraiser who is not eligible to be appointed or serve as chief appraiser may not perform an action authorized or required by law to be performed by a chief appraiser, including the preparation, certification, or submission of any part of the appraisal roll. Not later than January 1 of each year, a chief appraiser shall notify the comptroller in writing that the chief appraiser is either eligible to be appointed or serve as the chief appraiser or not eligible to be appointed or serve as the chief appraiser.

(d) Except as provided by Section 6.0501, the chief appraiser is entitled to compensation as provided by the budget adopted by the board of directors. The chief appraiser's compensation may not be directly or indirectly linked to an increase in the total market, appraised, or taxable value of property in the appraisal district. Except as provided by Section 6.0501, the chief appraiser may employ and compensate professional, clerical, and other personnel as provided by the budget, with the exception of a general counsel to the appraisal district.
SECTION 6. Subchapter A, Chapter 6, Tax Code, is amended by adding Section 6.0501 to read as follows:

Sec. 6.0501. APPOINTMENT OF ELIGIBLE CHIEF APPRAISER BY COMPTROLLER. (a) The comptroller shall appoint a person eligible to be a chief appraiser under Section 6.05(c) or a person who has previously been appointed or served as a chief appraiser to perform the duties of chief appraiser for an appraisal district whose chief appraiser is ineligible to serve.

(b) A chief appraiser appointed under this section serves until the earlier of:

(1) the first anniversary of the date the comptroller appoints the chief appraiser; or

(2) the date the board of directors of the appraisal district:

(A) appoints a chief appraiser under Section 6.05(c); or

(B) contracts with an appraisal district or a taxing unit to perform the duties of the appraisal office for the district under Section 6.05(b).

(c) The comptroller shall determine the compensation of a chief appraiser appointed under this section. A chief appraiser appointed under this section shall determine the budget necessary for the adequate operation of the appraisal office, subject to the approval of the comptroller. The board of directors of the appraisal district shall amend the budget as necessary to compensate the appointed chief appraiser and fund the appraisal office as determined under this subsection.

(d) An appraisal district that does not appoint a chief appraiser or contract with an appraisal district or a taxing unit to perform the duties of the appraisal office by the first anniversary of the date the comptroller appoints a chief appraiser shall contract with an appraisal district or a taxing unit to perform the duties of the appraisal office or with a qualified public or private entity to perform the duties of the chief appraiser, subject to the approval of the comptroller.

SECTION 7. Section 6.052, Tax Code, is amended by amending Subsections (a), (b), (c), and (e) and adding Subsection (f) to read as follows:

(a) The board of directors for an appraisal district created for a county with a population of more than 120,000 shall appoint a taxpayer liaison officer who shall serve at the pleasure of the board. The taxpayer liaison officer shall administer the public access functions required by Sections 6.04(d), (e), and (f), and is responsible for resolving disputes not involving matters that may be protested under Section 41.41. In addition, the taxpayer liaison officer is responsible for receiving and compiling a list of comments and suggestions filed by the chief appraiser, a property owner, or a property owner’s agent concerning the matters listed in Section 5.103(b) or any other matter related to the fairness and efficiency of the appraisal review board established for the appraisal district. The taxpayer liaison officer shall forward to the comptroller comments and suggestions filed under this subsection in the form and manner prescribed by the comptroller.

(b) The taxpayer liaison officer shall provide to the public information and materials designed to assist property owners in understanding the appraisal process, protest procedures, the procedure for filing comments and suggestions under Subsection (a) of this section or a complaint under Section 6.04(g), and other matters. Information concerning the process for submitting comments and suggestions to the comptroller concerning an appraisal review board shall be provided at each protest hearing.

(c) The taxpayer liaison officer shall report to the board at each meeting on the status of all comments and suggestions filed with the officer under Subsection (a) of this section and all complaints filed with the board under Section 6.04(g).

(e) The chief appraiser or any other person who performs appraisal or legal services for the appraisal district for compensation is not eligible to be the taxpayer liaison officer for the appraisal district.

(f) The taxpayer liaison officer for an appraisal district described by Section 6.41(d–1) is responsible for providing clerical assistance to the local administrative district judge in the selection of appraisal review board members. The officer shall deliver to the local administrative district judge any applications to serve on the board that are submitted to the officer.
and shall perform other duties as requested by the local administrative district judge. The officer may not influence the process for selecting appraisal review board members.

SECTION 8. Section 6.41, Tax Code, is amended by amending Subsections (d-1) and (f) and adding Subsections (i), (j), and (k) to read as follows:

(d-1) In a county with a population of 120,000 or more or a county with a population of 330,000 or more that is adjacent to a county with a population of 3.3 million or more the members of the board are appointed by the local administrative district judge under Subchapter D, Chapter 74, Government Code, in the county in which the appraisal district is established. All applications submitted to the appraisal district or to the appraisal review board from persons seeking appointment as a member of the appraisal review board shall be delivered to the local administrative district judge. The appraisal district may provide the local administrative district judge with information regarding whether an applicant for appointment to or a member of the board owes any delinquent ad valorem taxes to a taxing unit participating in the appraisal district.

(f) A member of the board may be removed from the board by a majority vote of the appraisal district board of directors, or by the local administrative district judge or the judge’s designee, as applicable, that appointed the member. Grounds for removal are:

(1) a violation of Section 6.412, 6.413, 41.66(f), or 41.69; [or]
(2) good cause relating to the attendance of members at called meetings of the board as established by written policy adopted by a majority of the appraisal district board of directors; or
(3) clear and convincing evidence of repeated bias or misconduct.

(i) This subsection applies only to an appraisal district described by Subsection (d-1). A chief appraiser or another employee or agent of the appraisal district, a member of the appraisal review board for the appraisal district, a member of the board of directors of the appraisal district, a property tax consultant, or an agent of a property owner commits an offense if the person communicates with the local administrative district judge regarding the appointment of appraisal review board members. This subsection does not apply to:

(1) a communication between a member of the appraisal review board and the local administrative district judge regarding the member’s reappointment to the board;
(2) a communication between the taxpayer liaison officer for the appraisal district and the local administrative district judge in the course of the performance of the officer’s clerical duties so long as the officer does not offer an opinion or comment regarding the appointment of appraisal review board members; or
(3) a communication between a chief appraiser or another employee or agent of the appraisal district, a member of the appraisal review board for the appraisal district, or a member of the board of directors of the appraisal district and the local administrative district judge regarding information described by Subsection (d-1) of this section or Section 411.1296, Government Code.

(j) A chief appraiser or another employee or agent of an appraisal district commits an offense if the person communicates with a member of the appraisal review board for the appraisal district, a member of the board of directors of the appraisal district, or, if the appraisal district is an appraisal district described by Subsection (d-1), the local administrative district judge regarding a ranking, scoring, or reporting of the percentage by which the appraisal review board or a panel of the board reduces the appraised value of property.

(k) An offense under Subsection (i) or (j) is a Class A misdemeanor.

SECTION 9. Section 6.411(c-1), Tax Code, is amended to read as follows:

(c-1) This section does not apply to communications with a member of an appraisal review board by [involving] the chief appraiser or another employee or a member of the board of directors of an appraisal district or a property tax consultant or attorney representing a party to a proceeding before [and a member of] the appraisal review board:

(1) during a hearing on a protest or other proceeding before the appraisal review board;
(2) that constitute social conversation;
(3) that are specifically limited to and involve administrative, clerical, or logistical matters related to the scheduling and operation of hearings, the processing of documents, the issuance of orders, notices, and subpoenas, and the operation, appointment, composition, or attendance at training of the appraisal review board; or

(4) that are necessary and appropriate to enable the board of directors of the appraisal district to determine whether to appoint, reappoint, or remove a person as a member or the chairman or secretary of the appraisal review board.

SECTION 10. Chapter 21, Tax Code, is amended by adding Sections 21.09 and 21.10 to read as follows:

Sec. 21.09. ALLOCATION APPLICATION. (a) To receive an allocation authorized by Section 21.03, 21.031, 21.05, or 21.055, a person claiming the allocation must apply for the allocation. To apply for an allocation, a person must file an allocation application form with the chief appraiser in the appraisal district in which the property subject to the claimed allocation has taxable situs.

(b) A person claiming an allocation must apply for the allocation each year the person claims the allocation. A person claiming an allocation must file a completed allocation application form before May 1 and must provide the information required by the form. If the property was not on the appraisal roll in the preceding year, the deadline for filing the allocation application form is extended to the 45th day after the date of receipt of the notice of appraised value required by Section 25.19(a)(3). For good cause shown, the chief appraiser shall extend the deadline for filing an allocation application form by written order for a period not to exceed 60 days.

(c) The comptroller shall prescribe the contents of the allocation application form and shall ensure that the form requires an applicant to provide the information necessary to determine the validity of the allocation claim.

(d) If the chief appraiser learns of any reason indicating that an allocation previously allowed should be canceled, the chief appraiser shall investigate. If the chief appraiser determines that the property is not entitled to an allocation, the chief appraiser shall cancel the allocation and deliver written notice of the cancellation not later than the fifth day after the date the chief appraiser makes the cancellation. A person may protest the cancellation of an allocation.

(e) The filing of a rendition under Chapter 22 is not a condition of qualification for an allocation.

Sec. 21.10. LATE APPLICATION FOR ALLOCATION. (a) The chief appraiser shall accept and approve or deny an application for an allocation under Section 21.09 after the deadline for filing the application has passed if the application is filed before the date the appraisal review board approves the appraisal records.

(b) If the application is approved, the property owner is liable to each taxing unit for a penalty in an amount equal to 10 percent of the difference between the amount of tax imposed by the taxing unit on the property without the allocation and the amount of tax imposed on the property with the allocation.

(c) The chief appraiser shall make an entry on the appraisal records for the property indicating the property owner’s liability for the penalty and shall deliver a written notice of imposition of the penalty, explaining the reason for its imposition, to the property owner.

(d) The tax assessor for a taxing unit that taxes the property shall add the amount of the penalty to the property owner’s tax bill, and the tax collector for the unit shall collect the penalty at the time and in the manner the collector collects the tax. The amount of the penalty constitutes a lien against the property against which the penalty is imposed, as if the penalty were a tax, and accrues penalty and interest in the same manner as a delinquent tax.

SECTION 11. Section 22.01, Tax Code, is amended by adding Subsections (c-1), (c-2), and (d-1) to read as follows:

(c-1) In this section:

(1) "Secured party" has the meaning assigned by Section 9.102, Business & Commerce Code.

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(2) "Security interest" has the meaning assigned by Section 1.201, Business & Commerce Code.

(c-2) With the consent of the property owner, a secured party may render for taxation any property of the property owner in which the secured party has a security interest on January 1, although the secured party is not required to render the property by Subsection (a) or (b). This subsection applies only to property that has a historical cost when new of more than $50,000.

(d-1) A secured party who renders property under Subsection (c-2) shall indicate the party's status as a secured party and shall state the name and address of the property owner. A secured party is not liable for inaccurate information included on the rendition statement if the property owner supplied the information or for failure to timely file the rendition statement if the property owner failed to promptly cooperate with the secured party. A secured party may rely on information provided by the property owner with respect to:

(1) the accuracy of information in the rendition statement;
(2) the appraisal district in which the rendition statement must be filed; and
(3) compliance with any provisions of this chapter that require the property owner to supply additional information.

SECTION 12. Section 22.24(e), Tax Code, is amended to read as follows:

(e) To be valid, a rendition or report must be sworn to before an officer authorized by law to administer an oath. The comptroller may not prescribe or approve a rendition or report form unless the form provides for the person filing the form to swear that the information provided in the rendition or report is true and accurate to the best of the person's knowledge and belief. This subsection does not apply to a rendition or report filed by a secured party, as defined by Section 22.01, the property owner, an employee of the property owner, or an employee of a property owner on behalf of an affiliated entity of the property owner.

SECTION 13. The heading to Section 23.02, Tax Code, is amended to read as follows:

Sec. 23.02. REAPPRAISAL OF PROPERTY DAMAGED IN [NATURAL] DISASTER AREA.

SECTION 14. Sections 23.02(a) and (d), Tax Code, are amended to read as follows:

(a) The governing body of a taxing unit that is located partly or entirely inside an area declared to be a [natural] disaster area by the governor may authorize reappraisal of all property damaged in the disaster at its market value immediately after the disaster.

(d) If property damaged in a [natural] disaster is reappraised as provided by this section, the governing body shall provide for prorating the taxes on the property for the year in which the disaster occurred. If the taxes are prorated, taxes due on the property are determined as follows: the taxes on the property based on its value on January 1 of that year are multiplied by a fraction, the denominator of which is 365 and the numerator of which is the number of days before the date the disaster occurred; the taxes on the property based on its reappraised value are multiplied by a fraction, the denominator of which is 365 and the numerator of which is the number of days, including the date the disaster occurred, remaining in the year; and the total of the two amounts is the amount of taxes on the property for the year.

SECTION 15. Section 23.23, Tax Code, is amended by adding Subsection (g) to read as follows:

(g) In this subsection, "disaster recovery program" means the disaster recovery program administered by the General Land Office that is funded with community development block grant disaster recovery money authorized by the Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, 2009 (Pub. L. No. 110–329) and the Consolidated and Further Continuing Appropriations Act, 2012 (Pub. L. No. 112–55). Notwithstanding Subsection (f)(2), and only to the extent necessary to satisfy the requirements of the disaster recovery program, a replacement structure described by that subdivision is not considered to be a new improvement if to satisfy the requirements of the disaster recovery program it was necessary that.
(1) the square footage of the replacement structure exceed that of the replaced structure as it existed before the casualty or damage occurred; or

(2) the exterior of the replacement structure be of higher quality construction and composition than that of the replaced structure.

SECTION 16. Section 23.129(b), Tax Code, is amended to read as follows:

(b) A chief appraiser or collector may waive a penalty under Subsection (a) only if:

(1) the taxpayer seeking the waiver files a written application for the waiver with the chief appraiser or collector, as applicable, not later than the 30th day after the date the declaration or statement, as applicable, was required to be filed;

(2) the taxpayer's failure to file or failure to timely file the declaration or statement was a result of:

(A) a [natural] disaster that made it effectively impossible for the taxpayer to comply with the filing requirement; or

(B) an event beyond the control of the taxpayer that destroyed the taxpayer's property or records; and

(3) the taxpayer is otherwise in compliance with this chapter.

SECTION 17. Section 31.11, Tax Code, is amended by adding Subsections (j) and (k) to read as follows:

(j) If the collector for a taxing unit does not respond to an application for a refund on or before the 90th day after the date the application is filed with the collector, the application is presumed to have been denied.

(k) Not later than the 60th day after the date the collector for a taxing unit denies an application for a refund, the taxpayer may file suit against the taxing unit in district court to compel the payment of the refund. If the collector collects taxes for more than one taxing unit, the taxpayer shall join in the suit each taxing unit on behalf of which the collector denied the refund. If the taxpayer prevails in the suit, the taxpayer may be awarded:

(1) costs of court; and

(2) reasonable attorney's fees in an amount not to exceed the greater of:

(A) $1,500; or

(B) 30 percent of the total amount of the refund determined by the court to be due.

SECTION 18. Section 33.48(a), Tax Code, is amended to read as follows:

(a) In addition to other costs authorized by law, a taxing unit is entitled to recover the following costs and expenses in a suit to collect a delinquent tax:

(1) all usual court costs, including the cost of serving process and electronic filing fees;

(2) costs of filing for record a notice of lis pendens against property;

(3) expenses of foreclosure sale;

(4) reasonable expenses that are incurred by the taxing unit in determining the name, identity, and location of necessary parties and in procuring necessary legal descriptions of the property on which a delinquent tax is due;

(5) attorney's fees in the amount of 15 percent of the total amount of taxes, penalties, and interest due the unit; and

(6) reasonable attorney ad litem fees approved by the court that are incurred in a suit in which the court orders the appointment of an attorney to represent the interests of a defendant served with process by means of citation by publication or posting.

SECTION 19. Section 33.49(a), Tax Code, is amended to read as follows:

(a) Except as provided by Subsection (b), a taxing unit is not liable in a suit to collect taxes for court costs, including any fees for service of process or electronic filing, an attorney ad litem, arbitration, or mediation, and may not be required to post security for costs.

SECTION 20. (a) Section 41.43, Tax Code, is amended by amending Subsection (a) and adding Subsections (a-3), (a-4), and (a-5) to read as follows:
(a) Except as provided by Subsections (a-1), (a-3), and (d), in a protest authorized by Section 41.41(a)(1) or (2), the appraisal district has the burden of establishing the value of the property by a preponderance of the evidence presented at the hearing. If the appraisal district fails to meet that standard, the protest shall be determined in favor of the property owner.

(a-3) In a protest authorized by Section 41.41(a)(1) or (2), the appraisal district has the burden of establishing the value of the property by clear and convincing evidence presented at the hearing if:

(1) the appraised value of the property was lowered under this subtitle in the preceding tax year;

(2) the appraised value of the property in the preceding tax year was not established as a result of a written agreement between the property owner or the owner’s agent and the appraisal district under Section 1.111(e); and

(3) not later than the 14th day before the date of the first day of the hearing, the property owner files with the appraisal review board and delivers to the chief appraiser:

(A) information, such as income and expense statements or information regarding comparable sales, that is sufficient to allow for a determination of the appraised or market value of the property if the protest is authorized by Section 41.41(a)(1); or

(B) information that is sufficient to allow for a determination of whether the property was appraised unequally if the protest is authorized by Section 41.41(a)(2).

(a-4) If the appraisal district has the burden of establishing the value of property by clear and convincing evidence presented at the hearing on a protest as provided by Subsection (a-3) and the appraisal district fails to meet that standard, the protest shall be determined in favor of the property owner.

(a-5) Subsection (a-3)(3) does not impose a duty on a property owner to provide any information in a protest authorized by Section 41.41(a)(1) or (2). That subdivision is merely a condition to the applicability of the standard of evidence provided by Subsection (a-3).

(b) The change in law made by this section applies only to a protest filed with an appraisal review board on or after the effective date of this section. A protest filed with an appraisal review board before the effective date of this section is covered by the law in effect at the time the protest was filed, and the former law is continued in effect for that purpose.

(c) Notwithstanding any other provision of this Act, this section takes effect September 1, 2013.

SECTION 21. Section 41.45, Tax Code, is amended by adding Subsection (n) to read as follows:

(n) A property owner does not waive the right to appear in person at the protest hearing by submitting an affidavit to the appraisal review board. The board may consider the affidavit only if the property owner does not appear at the protest hearing in person. For purposes of scheduling the hearing, the property owner shall state in the affidavit that the property owner does not intend to appear at the hearing or that the property owner intends to appear at the hearing and that the affidavit may be used only if the property owner does not appear at the hearing. If the property owner does not state in the affidavit whether the owner intends to appear at the hearing, the board shall consider the submission of the affidavit as an indication that the property owner does not intend to appear at the hearing. If the property owner states in the affidavit that the owner does not intend to appear at the hearing or does not state in the affidavit whether the owner intends to appear at the hearing, the appraisal review board is not required to consider the affidavit at the scheduled hearing and may consider the affidavit at a hearing designated for the specific purpose of processing affidavits.

SECTION 22. Section 41.66, Tax Code, is amended by adding Subsections (i), (j), (k), (l), (m), (n), and (o) to read as follows:

(i) A hearing on a protest filed by a property owner who is not represented by an agent designated under Section 1.111 shall be set for a time and date certain. If the hearing is not
commenced within two hours of the time set for the hearing, the appraisal review board shall postpone the hearing on the request of the property owner.

(j) On the request of a property owner or a designated agent, an appraisal review board shall schedule hearings on protests concerning up to 20 designated properties on the same day. The designated properties must be identified in the same notice of protest, and the notice must contain in boldfaced type the statement “request for same-day protest hearings.” A property owner or designated agent may not file more than one request under this subsection with the appraisal review board in the same tax year. The appraisal review board may schedule hearings on protests concerning more than 20 properties filed by the same property owner or designated agent and may use different panels to conduct the hearings based on the board’s customary scheduling. The appraisal review board may follow the practices customarily used by the board in the scheduling of hearings under this subsection.

(k) If an appraisal review board sits in panels to conduct protest hearings, protests shall be randomly assigned to panels, except that the board may consider the type of property subject to the protest or the ground of the protest for the purpose of using the expertise of a particular panel in hearing protests regarding particular types of property or based on particular grounds. If a protest is scheduled to be heard by a particular panel, the protest may not be reassigned to another panel without the consent of the property owner or designated agent. If the appraisal review board has cause to reassign a protest to another panel, a property owner or designated agent may agree to reassignment of the protest or may request that the hearing on the protest be postponed. The board shall postpone the hearing on that request. A change of members of a panel because of a conflict of interest, illness, or inability to continue participating in hearings for the remainder of the day does not constitute reassignment of a protest to another panel.

(l) A property owner, attorney, or agent offering evidence or argument in support of a protest brought under Section 41.41(a)(1) or (2) of this code is not subject to Chapter 1103, Occupations Code, unless the person offering the evidence or argument states that the person is offering evidence or argument as a person holding a license or certificate under Chapter 1103, Occupations Code. A person holding a license or certificate under Chapter 1103, Occupations Code, shall state the capacity in which the person is appearing before the appraisal review board.

(m) An appraisal district or appraisal review board may not make decisions with regard to membership on a panel or chairmanship of a panel based on a member’s voting record in previous protests.

(n) A request for postponement of a hearing must contain the mailing address and e-mail address of the person requesting the postponement. An appraisal review board shall respond in writing or by e-mail to a request for postponement of a hearing not later than the seventh day after the date of receipt of the request.

(o) The chairman of an appraisal review board or a member designated by the chairman may make decisions with regard to the scheduling or postponement of a hearing. The chief appraiser or a person designated by the chief appraiser may agree to a postponement of an appraisal review board hearing.

SECTION 23. Section 41A.03(a), Tax Code, is amended to read as follows:

(a) To appeal an appraisal review board order under this chapter, a property owner must file with the appraisal district not later than the 45th day after the date the property owner receives notice of the order:

(1) a completed request for binding arbitration under this chapter in the form prescribed by Section 41A.04; and

(2) an arbitration deposit made payable to the comptroller in the amount of $500, or $250, if the property owner requests expedited arbitration under Section 41A.021.

SECTION 24. Sections 42.08(b), (b-1), and (c), Tax Code, are amended to read as follows:

(b) Except as provided in Subsection (d), a property owner who appeals as provided by this chapter must pay taxes on the property subject to the appeal in the amount required by this
subsection before the delinquency date or the property owner forfeits the right to proceed to a final determination of the appeal. The amount of taxes the property owner must pay on the property before the delinquency date to comply with this subsection is the lesser of:

1. the amount of taxes due on the portion of the taxable value of the property that is not in dispute;
2. the amount of taxes due on the property under the order from which the appeal is taken; or
3. the amount of taxes imposed on the property in the preceding tax year.

(b-1) This subsection applies only to an appeal in which the property owner elects to pay the amount of taxes described by Subsection (b)(1). The appeal filed by the property owner must be accompanied by a statement in writing of the amount of taxes the property owner proposes to pay. The failure to provide the statement required by this subsection is not a jurisdictional error.

(c) A property owner that pays an amount of taxes greater than that required by Subsection (b) does not forfeit the property owner’s right to a final determination of the appeal by making the payment. The property owner may pay an additional amount of taxes at any time. If the property owner files a timely appeal under this chapter, taxes paid on the property are considered paid under protest, even if paid before the appeal is filed. If the taxes are subject to the split-payment option provided by Section 31.03, the property owner may comply with Subsection (b) of this section by paying one-half of the amount otherwise required to be paid under that subsection before December 1 and paying the remaining one-half of that amount before July 1 of the following year.

SECTION 25. Section 42.21, Tax Code, is amended by adding Subsections (f), (g), and (h) to read as follows:

(f) A petition filed by an owner or lessee of property may include multiple properties that are owned or leased by the same person and are of a similar type or are part of the same economic unit and would typically sell as a single property. If a petition is filed by multiple plaintiffs or includes multiple properties that are not of a similar type, are not part of the same economic unit, or are part of the same economic unit but would not typically sell as a single property, the court may on motion and a showing of good cause sever the plaintiffs or the properties.

(g) A petition filed by an owner or lessee of property may be amended to include additional properties in the same county that are owned or leased by the same person, are of a similar type as the property originally involved in the appeal or are part of the same economic unit as the property originally involved in the appeal and would typically sell as a single property, and are the subject of an appraisal review board order issued in the same year as the order that is the subject of the original appeal. The amendment must be filed within the period during which a petition for review of the appraisal review board order pertaining to the additional properties would be required to be filed under Subsection (a).

(h) The court has jurisdiction over an appeal under this chapter brought on behalf of a property owner or lessee and the owner or lessee is considered to have exhausted the owner’s or lessee’s administrative remedies regardless of whether the petition correctly identifies the plaintiff as the owner or lessee of the property or correctly describes the property so long as the property was the subject of an appraisal review board order, the petition was filed within the period required by Subsection (a), and the petition provides sufficient information to identify the property that is the subject of the petition. Whether the plaintiff is the proper party to bring the petition or whether the property needs to be further identified or described must be addressed by means of a special exception and correction of the petition by amendment as authorized by Subsection (e) and may not be the subject of a plea to the jurisdiction or a claim that the plaintiff has failed to exhaust the plaintiff’s administrative remedies. If the petition is amended to add a plaintiff, the court on motion shall enter a docket control order to provide proper deadlines in response to the addition of the plaintiff.

SECTION 26. Section 42.23, Tax Code, is amended by adding Subsection (h) to read as follows:

(h) Evidence, argument, or other testimony offered at an appraisal review board hearing by a property owner or agent is not admissible in an appeal under this chapter unless:
(1) the evidence, argument, or other testimony is offered to demonstrate that there is
sufficient evidence to deny a no-evidence motion for summary judgment filed by a party to
the appeal or is necessary for the determination of the merits of a motion for summary
judgment filed on another ground;

(2) the property owner or agent is designated as a witness for purposes of trial and the
testimony offered at the appraisal review board hearing is offered for impeachment
purposes; or

(3) the evidence is the plaintiff's testimony at the appraisal review board hearing as to
the value of the property.

SECTION 27. Section 42.29(a), Tax Code, is amended to read as follows:

(a) A property owner who prevails in an appeal to the court under Section 42.25 or 42.26,
[or] in an appeal to the court of a determination of an appraisal review board on a motion filed
under Section 25.25, or in an appeal to the court of a determination of an appraisal review
board of a protest of the denial in whole or in part of an exemption under Section 11.17,
11.22, 11.23, 11.231, or 11.24 may be awarded reasonable attorney's fees. The amount of the
award may not exceed the greater of:

(1) $15,000; or

(2) 20 percent of the total amount by which the property owner's tax liability is reduced
as a result of the appeal.

SECTION 28. Section 41A.031, Tax Code, is repealed.

SECTION 29. The changes in law made by this Act apply to a proceeding that is pending
on the effective date of this Act or is filed on or after the effective date of this Act.

SECTION 30. The Texas Commission of Licensing and Regulation shall adopt the rules
required by Section 1151.1581(f), Occupations Code, as added by this Act, not later than
January 1, 2014.

SECTION 31. Section 6.035, Tax Code, as amended by this Act, does not affect the
eligibility of an individual serving on an appraisal district board of directors immediately
before the effective date of this Act to continue to serve on the appraisal district board of
directors for the term to which the member was appointed.

SECTION 32. A person appointed or serving as a chief appraiser in an appraisal district
established in a county with a population of 100,000 or less on the effective date of this Act
who is not eligible to be appointed or serve as a chief appraiser under Section 6.05(c), Tax
Code, as amended by this Act, but who is registered with the Texas Department of Licensing
and Regulation and classified as a Class III appraiser under the rules of the Texas
Commission of Licensing and Regulation may continue to serve as the chief appraiser until
January 1, 2016.

SECTION 33. (a) As soon as practicable on or after January 1, 2014, the local administrative
district judge or the judge's designee in a county described by Section 6.41(d-1), Tax
Code, as amended by this Act, in the manner provided by Section 6.41, Tax Code, shall
appoint the members of the appraisal review board for the appraisal district established in the
county. In making the initial appointments, the judge or judge's designee shall designate
those members who serve terms of one year as necessary to comply with Section 6.41(e), Tax
Code.

(b) The changes made to Section 6.41, Tax Code, by this Act apply only to the appointment
of appraisal review board members to terms beginning on or after January 1, 2014. This Act
does not affect the term of an appraisal review board member serving on December 31, 2013,
if the member was appointed before January 1, 2014, to a term that began before December

SECTION 34. Section 6.411, Tax Code, as amended by this Act, applies only to an offense
committed on or after the effective date of this Act. An offense committed before the
effective date of this Act is governed by the law in effect on the date the offense was
committed, and the former law is continued in effect for that purpose. For purposes of this
section, an offense was committed before the effective date of this Act if any element of the
offense occurred before that date.
SECTION 35. Sections 22.01 and 22.24, Tax Code, as amended by this Act, apply only to the rendition of property for ad valorem tax purposes for a tax year that begins on or after January 1, 2014.

SECTION 36. Section 23.02, Tax Code, as amended by this Act, applies to all properties affected by a disaster as defined by Section 418.004, Government Code, that were appraised as of January 1, 2013. Property affected by a disaster and appraised prior to January 1, 2013, is governed by the law in effect at that time.

SECTION 37. The change in law made by Section 23.23(g), Tax Code, as added by this Act, applies only to the appraisal of a residence homestead for ad valorem tax purposes for a tax year that begins on or after January 1, 2014.

SECTION 38. (a) Except as provided by Subsection (b) of this section:

(1) this Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution; and

(2) if this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2013.

(b) Sections 1, 2, 3, 5, 6, 7, 8, 11, 12, 15, 21, 22, and 35 of this Act take effect January 1, 2014.

Passed by the House on May 3, 2013: Yeas 143, Nays 2, 2 present, not voting; the House concurred in Senate amendments to H.B. No. 585 on May 24, 2013: Yeas 146, Nays 0, 2 present, not voting; passed by the Senate, with amendments, on May 22, 2013: Yeas 28, Nays 3.

Approved June 14, 2013.

Effective immediately except as provided by § 38(b).

CHAPTER 1260

H.B. No. 586

AN ACT

relating to the waiver of sovereign immunity for certain design and construction claims arising under written contracts with state agencies.

Be it enacted by the Legislature of the State of Texas:

SECTION 1. Title 5, Civil Practice and Remedies Code, is amended by adding Chapter 114 to read as follows:

CHAPTER 114. ADJUDICATION OF CLAIMS ARISING UNDER WRITTEN CONTRACTS WITH STATE AGENCIES

Sec. 114.001. DEFINITIONS. In this chapter:

(1) "Adjudication" of a claim means the bringing of a civil suit and prosecution to final judgment in county or state court.

(2) "Contract subject to this chapter" means a written contract stating the essential terms of the agreement for providing goods or services to the state agency that is properly executed on behalf of the state agency. The term does not include a contract that is subject to Section 201.112, Transportation Code.

(3) "State agency" means an agency, department, commission, bureau, board, office, council, court, or other entity that is in any branch of state government and that is created by the constitution or a statute of this state, including a university system or a system of higher education. The term does not include a county, municipality, court of a county or municipality, special purpose district, or other political subdivision of this state.

Sec. 114.002. APPLICABILITY. This chapter applies only to a claim for breach of a written contract for engineering, architectural, or construction services or for materials

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