

## BILL ANALYSIS

Senate Research Center  
79R1514 JD-D

S.B. 181  
By: Janek  
Jurisprudence  
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As Filed

### AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

Currently, property tax appraisal appeals are heard first by an appraisal review board, and then by a district court. The cost of hiring an attorney and filing an appeal in district court is often much higher than the amount of taxes in dispute. This means many property owners will not pursue an appeal past the appraisal review board level, which makes the appraisal review board the de facto final arbiter of most appraisal appeals.

As proposed, S.B. 181 allows taxpayers to appeal appraisal review board decisions to small claims court if the amount of taxes in dispute is within the jurisdiction of the small claims court. This will introduce fairness to the appraisal dispute process by opening more appeals to judicial review.

### RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 41.47(e), Tax Code, to include the property owner's right to appeal the appraisal review board's (board's) decision to small claims court if the amount of taxes in dispute is within the jurisdiction of a small claims court. Makes nonsubstantive and conforming changes.

SECTION 2. Amends the heading to Subchapter B, Chapter 42, Tax Code, to read as follows:

#### SUBCHAPTER B. JUDICIAL REVIEW

SECTION 3. Amends Section 42.21(a), Tax Code, as follows:

- (a) Makes a conforming change.

SECTION 4. Amends Subchapter B, Chapter 42, Tax Code, by adding Sections 42.211 and 42.212, as follows:

Sec. 42.211. JURISDICTION. (a) Requires an appeal under this subchapter, except as provided by this section, to be made to a district court.

(b) Authorizes a property owner to appeal an order of an appraisal review board to a small claims court if the disputed amount is within the jurisdiction of that small claims court.

(c) Requires the court, if the small claims court determines that the appeal is not within the court's jurisdiction, to dismiss the appeal. Authorizes the property owner, in that event, to appeal the order to district court by filing a petition for review with the district court not later than the 30th day after the date of the dismissal.

Sec. 42.212. REPRESENTATION IN SMALL CLAIMS COURT. Authorizes an appraisal district, in an appeal to a small claims court, to be represented by legal counsel.

SECTION 5. Reenacts and amends Section 42.22, Tax Code, as amended by Chapter 667 and 1033, Acts of the 73rd Legislature, Regular Session, 1993, as follows:

Sec. 42.22. VENUE. (a) Provides that venue in an appeal to district court is in the county in which the appraisal review board that issued the order appealed is located.

(b) Provides that venue of an action brought in district court is in the county in which the property is located or in the county in which the appraisal review board that issued the order is located.

(c) Makes no changes to this subsection.

(d) Provides that venue of an action brought under Section 42.01(1) (Right of Appeal by Property Owner) in small claims court is in any justice precinct in the county in which the appraisal review board that issued the order appealed is located.

SECTION 6. Amends Section 42.23(a), Tax Code, by requiring the court, rather than the district court, to try all issues of fact and law raised by the pleadings in the manner applicable to civil suits.

SECTION 7. Amends Section 42.24, Tax Code, to make conforming and nonsubstantive changes.

SECTION 8. Amends Section 42.26(a) Tax Code, to make a conforming change.

SECTION 9. Amends Subchapter B, Chapter 42, Tax Code, by adding Section 42.27, as follows:

Sec. 42.27. SMALL CLAIMS COURT JUDGMENT NOT APPEALABLE. Prohibits the final judgment of a small claims court in an appeal to the small claims court from being appealed by any person.

SECTION 10. Amends Section 28.003, Government Code, by adding Subsection (a-1), to provide that the small claims court has jurisdiction over appeals brought under Section 42.01(1) if the amount of taxes in dispute does not exceed \$5,000.

SECTION 11. Amends Section 28.011, Government Code, to include that an appeal brought under Section 42.01(01), Tax Code, must also be brought in accordance with Section 42.22, Tax Code.

SECTION 12. Provides that the change in law made by the Act applies to the appeal of an appraisal review board order without regard to the date that order was issued.

SECTION 13. Effective date: September 1, 2005.