

BILL ANALYSIS

Senate Research Center
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C.S.S.B. 1255
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Finance
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Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Under the current Tax Code, property owners may file a property protest of appraised value based upon either the market value of the property or an unequal appraisal of the owner's property. The appeal of this property value protest is heard by the Appraisal Review Board (ARB) in each county.

An ARB order may be arbitrated by the property owner under the Tax Code, but under current law no unequal appraisal evidence may be heard even though such evidence was presented in the original ARB hearing. Arbitration is a low cost appeal of an ARB board order available for all property owners of a million dollars in value or less, plus all residence homesteads in Texas.

C.S.S.B. 1255 will allow unequal appraisal evidence to be presented by property owners and heard by the arbitrator in the determination of property values. This change will allow property owners the option of seeking low cost arbitration instead of more costly and lengthy judicial appeals, saving both the county appraisal districts and individual property owners time and money.

C.S.S.B. 1255 amends current law relating to binding arbitration of an appraisal review board order determining a protest of an unequal appraisal of the owner's property.

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 41A.01, Tax Code, to entitle a property owner, as an alternative to filing an appeal under Section 42.01 (Right of Appeal by Property Owner), to appeal through binding arbitration under this chapter an Appraisal Review Board order determining a protest filed under Section 41.41(a)(1) (relating to entitling a property owner to protest a determination of the appraised value of the owner's property) or (2) (relating to entitling a property owner to protest unequal appraisal of the owner's property) concerning the appraised or market value of property if the property qualifies as the owner's residence homestead under Section 11.13 (Residence Homestead) or the appraised or market value, as applicable, of the property as determined by the order is \$1 million or less.

SECTION 2. Amends the heading to Section 41A.06, Tax Code, to read as follows:

Sec. 41A.06. REGISTRY AND QUALIFICATION OF ARBITRATORS.

SECTION 3. Amends Section 41A.06, Tax Code, by adding Subsection (c), as follows:

(c) Requires an arbitrator to complete a training program on property tax law before conducting a hearing on an arbitration relating to the appeal of an appraisal review board order determining a protest filed under Section 41.41(a)(2). Requires that the training program emphasize the requirements regarding the equal and uniform appraisal of

property; be at least four hours in length; and be approved by the comptroller of public accounts of the State of Texas.

SECTION 4. Effective date: upon passage or September 1, 2013.