

BILL ANALYSIS

Senate Research Center
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S.B. 449
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Property Tax
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Taxpayers are required to hire independent licensed or certified appraisers to testify in district court as to the value of their property. In practice, Texas courts allow appraisal district employees to testify without being licensed or certified. Although certain districts have their own licensed appraisers on staff, and some hire outside qualified appraisers when going to trial, a double standard exists as to the credentials needed for an expert witness testifying in district court.

During the 84th Legislature, S.B. 1760 by Sen. Brandon Creighton (R-Conroe) originally intended to level the playing field on this issue by amending Section 42.23, Tax Code, to add new Subsection (i) which would have precluded an appraisal district employee from testifying as to the value of real property in district court unless the employee was also a state licensed or certified appraiser.

S.B. 1760, as amended, was passed and signed into law. While the enacted legislation retained new Section 42.23(i), the language therein was amended in a manner that places taxpayers at a further disadvantage than before the bill.

Although not effective until January 1, 2020, new Section 42.23(i) will now allow courts to give preference to appraisal district testimony if the employee is a licensed or certified appraiser:

“If an appraisal district employee testifies as to the value of real property in an appeal under Section 42.25 or 42.26, the court may give preference to an employee who is a person authorized to perform an appraisal of real estate under Section 1103.201, Occupations Code.”

Sen. Creighton attempted to clarify what this provision was meant to do by reading the following statement of legislative intent into the record prior to final passage:

“This section is intended to allow a court to seek expert opinions on property value from a licensed appraiser if the court feels that the appraisal of the property in question requires the input of a licensed appraiser versus a property tax professional working for an appraisal district who is not a licensed appraiser.”

Issue:

Legislation passed during the 84th Legislature—originally intended to level the playing field between taxpayers and appraisal districts—places taxpayers at a further disadvantage by allowing courts to give preference to appraisal district testimony if the employee is a licensed or certified appraiser.

Because courts read laws as they are written, a statutory change is required to prevent an inequitable result when expert testimony is given preference as provided for in Section 42.23(i) and not weighed solely on the merits.

Proposal:

Repeal Section 42.23(i), Tax Code, before it takes effect on January 1, 2020, and thereby maintain the status quo as it relates to the credentials needed for an expert witness testifying as to the value of real property in district court.

As proposed, S.B. 449 amends current law relating to testimony by an appraisal district employee as to the value of real property in certain ad valorem tax appeals.

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. Repealer: Section 9, Chapter 481 (S.B. 1760), Acts of the 84th Legislature, Regular Session, 2015, which added Section 42.23(i) (relating to the testimony of an appraisal district employee regarding the value of real property in certain appeals), Tax Code, effective January 1, 2020.

SECTION 2. Effective date: September 1, 2019.