

## **BILL ANALYSIS**

Senate Research Center

H.B. 988  
By: Shine et al. (Hancock)  
Local Government  
5/14/2021  
Engrossed

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

Concerns have been raised that a number of appraisal districts and appraisal review boards too often choose not to follow certain procedural requirements applicable to taxpayers' protests of their property taxes. H.B. 988 seeks to address this issue by providing taxpayers with the option to bring suit to compel these entities to comply with the applicable requirements. H.B. 988 also includes a 10-day notice window to allow the district, chief appraiser, or appraisal review board an opportunity to comply before the suit could be filed.

H.B. 988 amends current law relating to the system for appraising property for ad valorem tax purposes and creates a criminal offense.

### **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 5.103, Tax Code, by amending Subsection (d) and adding Subsection (e), as follows:

(d) Requires an appraisal review board (ARB) to incorporate the model hearing procedures prepared by the Comptroller of Public Accounts of the State of Texas (comptroller) when adopting the ARB's procedures for hearings as required by Section 41.01(c). Authorizes an ARB to adopt procedures that supplement the model hearing procedures, provided that the supplemental procedures do not contradict or circumvent the model hearing procedures.

(e) Requires the comptroller each year to review the hearing procedures adopted by each ARB to determine whether the hearing procedures incorporate the model hearing procedures prepared by the comptroller under Section 5.103 (Appraisal Review Board Oversight).

Deletes existing text requiring an ARB to follow the model hearing procedures prepared by the comptroller when establishing its procedures for hearings as required by Section 41.66(a) (relating to requiring an ARB to establish by rule the procedures for hearings regarding a review of appraisal records and taxpayer protests).

SECTION 2. Amends Section 5.104(l), Tax Code, as follows:

(l) Requires that the annual report issued by the comptroller that summarizes the information included in the surveys submitted during the preceding tax year also include a summary of the comments, complaints, and suggestions forwarded to the comptroller during the preceding tax year by taxpayer liaison officers under Section 6.052(a), the results of the comptroller's review of appraisal review board hearing procedures during the preceding tax year under Section 5.103(e), and the results of requests for limited binding arbitration filed with the comptroller during the preceding tax year under Section

41A.015. Prohibits the report from disclosing the identity of an individual who submitted a survey, comment, complaint, suggestion, or request for arbitration.

SECTION 3. Amends Section 6.04(d), Tax Code, as follows:

(d) Requires that reasonable time be provided during each ARB meeting for public comment on appraisal district and ARB policies and procedures, and a report from the taxpayer liaison officer, rather than a report from the taxpayer liaison officer if one is required by Section 6.052 (Taxpayer Liaison Officer).

SECTION 4. Amends Section 6.052, Tax Code, by amending Subsections (a), (b), and (c) and adding Subsection (g), as follows:

(a) Requires the board of directors for an appraisal district, rather than for an appraisal district created for a county with a population of more than 120,000, to appoint a taxpayer liaison officer who is required to serve at the pleasure of the board of directors of an appraisal district. Provides that the taxpayer liaison officer is responsible for certain actions, including receiving, and compiling a list of complaints filed by the chief appraiser, a property owner, or a property owner's agent concerning certain matters. Requires the taxpayer liaison officer to forward to the comptroller comments, complaints, and suggestions filed under this subsection in the form and manner prescribed by the comptroller not later than December 31 of each year. Authorizes a person to serve as the taxpayer liaison officer for more than one appraisal district if each appraisal district for which the person is appointed to serve as taxpayer liaison officer is established for a county with a population of less than 120,000. Makes a conforming change.

(b) and (c) makes conforming changes to these subsections.

(g) Provides that, notwithstanding any other provision of Chapter 6 (Local Administration), a taxpayer liaison officer does not commit an offense under this chapter if the officer communicates with the chief appraiser or another employee or agent of the appraisal district, a member of the ARB established for the appraisal district, a member of the board of directors of the appraisal district, a property tax consultant, a property owner, an agent of a property owner, or another person if the communication is made in the good faith exercise of the officer's statutory duties.

SECTION 5. Amends Subchapter A, Chapter 6, Tax Code, by adding Section 6.155, as follows:

Sec. 6.155. CERTAIN COMMUNICATIONS BY TAXING UNITS PROHIBITED; PENALTY. (a) Provides that a member of the governing body, officer, or employee of a taxing unit commits an offense if the person directly or indirectly communicates with the chief appraiser or another employee of the appraisal district in which the taxing unit participates for the purpose of influencing the value at which property in the district is appraised.

(b) Provides that an offense under this section is a state jail felony.

SECTION 6. Amends Section 11.253(a)(2), Tax Code, to redefine "goods-in-transit" for Section 11.253 (Tangible Personal Property in Transit).

SECTION 7. Amends Section 11.253, Tax Code, by amending Subsections (e) and (g) and adding Subsection (l), as follows:

(e) Requires the chief appraiser, in determining the market value of goods-in-transit that in the preceding year were stored in this state, to exclude the cost of equipment, machinery, or materials that entered into and became component parts of the goods-in-transit but were not themselves goods-in-transit or that were not transported to another location in this state or outside this state before the expiration of 175 days, or, if applicable, the greater number of days adopted by the taxing unit as authorized by Subsection (l), rather than before the expiration of 175 days, after the date they were

brought into this state by the property owner or acquired by the property owner in this state. Makes a conforming change.

(g) Makes a conforming change to this subsection.

(l) Provides that this subsection applies only to a taxing unit any part of which is located in an area designated a disaster area by a disaster declaration issued under Section 418.014 (Declaration of State of Disaster) or 418.108 (Declaration of Local Disaster), Government Code, that has not expired or otherwise been terminated. Authorizes the governing body of a taxing unit, in the manner provided by law for official action, to extend the date by which goods-in-transit are required to be transported to another location in this state or outside this state to a date not later than the 270th day after the date the person acquired the property in or imported the property into this state. Provides that an extension adopted by official action under this subsection applies only to the exemption from ad valorem taxation by the taxing unit adopting the extension and to the tax year in which the extension is adopted.

SECTION 8. Amends Section 23.55, Tax Code, by adding Subsections (e-1) and (r), as follows:

(e-1) Authorizes a property owner to request in writing that the chief appraiser determine whether a change of use of the property owner's land has occurred. Requires that the request state the manner in which the property owner is currently using the land. Requires the chief appraiser, not later than the 90th day after the date the chief appraiser receives the request, to provide the property owner with a written determination that includes a description of the current use of the land and a statement as to whether the current use of the land has resulted in a change of use of the land. Prohibits the chief appraiser, if the chief appraiser determines that a change of use of the land has not occurred, from later determining that a change of use of the land has occurred on the basis of the use described in the written determination.

(r) Provides that the sanctions provided by Subsection (a) (relating to imposing additional property tax if the use of appraised agricultural land changes) do not apply to a change in the use of land if, after the change in use, the physical characteristics of the land remain consistent with the physical characteristics of the land during the period for which the land was eligible for appraisal under Subchapter D (Appraisal of Agricultural Land).

SECTION 9. Amends Section 25.02, Tax Code, by adding Subsections (c), (d), (e), and (f), as follows:

(c) Requires that each appraisal record have a unique account number. Requires the appraisal district, if an appraisal district changes the account number of an appraisal record, to provide written notice of the change to the property owner as soon as practicable after the change and provide notice of the change in the next notice of appraised value of the property included in the record that is delivered to the property owner under Section 25.19 (Notice of Appraised Value).

(d) Provides that this subsection does not apply to an appraisal record for a residential property, for an improvement only, or for a property on which a delinquent tax is due. Requires the chief appraiser, on the written request of a property owner, to combine contiguous parcels or tracts of the owner's real property into a single appraisal record. Requires the chief appraiser, on the written request of a property owner, to separate identifiable segments of the owner's parcel or tract of real property into individual appraisal records.

(e) Requires a property owner to make a request under Subsection (d) before January 1 of the tax year for which the requested change to the appraisal records is to be made. Requires that the request contain a legal description as contained in a deed sufficient to describe the property subject to the request.

(f) Authorizes the ARB, if a chief appraiser refuses to combine parcels or tracts, or separate a parcel or tract, on request of a property owner under Subsection (d), to order the requested change on a motion filed by the property owner under Section 25.25 (Correction of Appraisal Roll) or a protest filed under Chapter 41 (Local Review).

SECTION 10. Amends Section 25.19, Tax Code, by adding Subsections (m) and (n), as follows:

(m) Prohibits the chief appraiser from delivering a corrected or amended notice of appraised value later than June 1 for property for which a person files a rendition statement or property report as required by Chapter 22 (Renditions and Other Reports) unless the purpose of the notice is to include omitted property or to correct a clerical error.

(n) Requires the chief appraiser, as soon as practicable after delivering a notice required by this section to a property owner, to post the notice on the appraisal district's Internet website, if the appraisal district maintains a website, as part of the appraisal record pertaining to the property.

SECTION 11. Amends Section 31.11(h), Tax Code, as follows:

(h) Provides that Section 31.11 (Refunds of Overpayments or Erroneous Payments) does not apply to an overpayment caused by a change of exemption status or correction of a tax roll, including an overpayment received after a correction of a tax roll as a result of an appeal under Chapter 42 (Judicial Review).

SECTION 12. Amends Section 41.01, Tax Code, by adding Subsections (c), (d), and (e), as follows:

(c) Requires the ARB by rule to adopt procedures for hearings the board conducts under Subchapter A (Review of Appraisal Records by Appraisal Review Board) and Subchapter C (Taxpayer Protest). Requires the ARB, before adopting the hearing procedures, to hold a public hearing to consider the hearing procedures proposed for adoption by the ARB. Requires the ARB, not later than May 15 of each year, to hold the hearing, make any amendments to the proposed hearing procedures the ARB determines are necessary, and by resolution finally adopt the hearing procedures. Requires the ARB to comply with Section 5.103(d) when adopting the hearing procedures. Provides that the chairman of the ARB has exclusive authority over the administration of hearing procedures adopted by the ARB.

(d) Requires the ARB to distribute copies of the hearing procedures adopted by the ARB to the board of directors of, and the taxpayer liaison officer for, the appraisal district for which the ARB is established and to the comptroller not later than the 15th day after the date the ARB adopts the hearing procedures.

(e) Requires the ARB to post a copy of the hearing procedures adopted by the ARB in a prominent place in each room in which the ARB conducts hearings under this subchapter and Subchapter C, and if the appraisal district for which the ARB is established maintains an Internet website, on the appraisal district's website.

SECTION 13. Amends Section 41.44(d), Tax Code, as follows:

(d) Requires that the form containing information regarding a notice of protest by a property owner permit a property owner to request that the protest be heard by a single-member panel authorized by Section 41.45(b-4).

SECTION 14. Amends Subchapter C, Chapter 41, Tax Code, by adding Section 41.445, as follows:

Sec. 41.445. INFORMAL CONFERENCE BEFORE HEARING ON PROTEST. (a) Requires the ARB to schedule an informal conference with the appraisal office for each

property owner who files a notice of protest with the ARB, to be held before the hearing on the protest. Requires that notice of the date, time, and location of the informal conference be delivered to the property owner with the notice of protest hearing required under Section 41.46 (Notice of Protest Hearing).

(b) Prohibits the informal conference, except as provided by Subsection (c), from being scheduled to be held on the same day on which the hearing on the protest is scheduled to be held or during the five-day period preceding that date.

(c) Requires the appraisal office, on request made in writing by the property owner to the appraisal office with good cause shown, to reschedule the informal conference for a later date that is before the date of the hearing on the protest. Provides that the rescheduling of the informal conference under this subsection does not require the delivery of additional written notice to the property owner. Authorizes the appraisal office to reschedule the informal conference for a date during the five-day period described by Subsection (b) with the property owner's consent.

(d) Requires the appraisal office to cancel the informal conference if the property owner informs the appraisal office, in writing, that the property owner elects not to participate in the conference.

(e) Provides that the property owner's failure to appear at the informal conference does not prevent the ARB from hearing the protest and issuing an order determining the protest.

SECTION 15. Amends Section 41.45(b-1), Tax Code, as follows:

(b-1) Deletes existing text requiring an ARB to conduct a hearing on a protest by telephone conference call if the ARB proposes that the hearing be conducted by telephone conference call and the property owner agrees to the hearing being conducted in that manner. Makes nonsubstantive changes.

SECTION 16. Amends Section 41.45, Tax Code, by adding Subsections (b-4) and (b-5) and amending Subsections (d), (d-2), and (d-3), as follows:

(b-4) Requires an ARB to sit in a single-member panel to conduct a protest hearing under Section 41.45 (Hearing on Protest) if the property owner requests that the hearing be conducted by a single-member panel in the notice of protest or in writing submitted to the ARB not later than the 10th day before the date of the hearing.

(b-5) Authorizes the ARB, if the recommendation of a single-member panel that conducts a hearing under Subsection (b-4) is not accepted by the ARB, to refer the matter for rehearing to a single-member panel composed of a member who did not hear the original protest or authorizes the ARB to determine the protest.

(d) Provides that this subsection does not apply to a single-member panel established under Subsection (b-4) of this section or a special panel established under Section 6.425 (Special Appraisal Review Board Panels in Certain Districts), rather than a special panel established under Section 6.425.

(d-2) Requires that the determination of a protest heard by a panel under certain Subsections, including Subsection (b-4), be made by the ARB. Makes a nonsubstantive change.

(d-3) Makes conforming and nonsubstantive changes to this subsection.

SECTION 17. Amends Section 41.461(a), Tax Code, as follows:

(a) Requires the chief appraiser, at least 14 days before a hearing on a protest, to:

(1) and (2) makes no changes to these subdivisions; and

(3) deliver a copy of the hearing procedures adopted by the ARB under Section 41.01 (Duties of Appraisal Review Board) to the property owner, rather than deliver a copy of the hearing procedures established by the ARB under Section 41.66 (Hearing Procedures) to the property owner.

SECTION 18. Amends Section 41.47, Tax Code, by amending Subsection (c) and adding Subsection (d-1), as follows:

(c) Requires the ARB, if the protest is of the determination of the appraised value of the owner's property, to state in the order certain information relating to the appraised value of the property, listed separately in the case of real property as the appraised value of the land and the appraised value of any improvement to the land as allocated by the chief appraiser.

(d-1) Provides that this subsection applies only to an appraisal district established in a county with a population of 120,000 or more. Provides that the requirements of this subsection are in addition to the requirements of Subsection (d) (relating to requiring the ARB to deliver by certified mail certain information regarding a taxpayer protest). Requires the chief appraiser, on written request submitted to the chief appraiser, to deliver by e-mail, in the manner provided by this subsection, a copy of the notice of issuance of the order and a copy of the order required by Subsection (d) if the property subject to the order is not the subject of an agreement under Section 1.085 (Communication in Electronic Format). Authorizes a request under this subsection to be submitted only by the property owner whose property is subject to the protest for which the order is issued, an attorney representing the property owner, or an individual designated by the property owner under Section 1.111 (Representation of Property Owner). Authorizes a person to include in a single request more than one property owned by the same property owner or multiple properties owned by multiple property owners. Authorizes a person to submit more than one request. Requires a person submitting a request to indicate in the request that the chief appraiser is required to make the delivery to the property owner, an attorney representing the property owner, an individual designated by the property owner under Section 1.111, or a combination of those persons. Requires a person to submit a request before the protest hearing relating to each property included in the request. Requires the chief appraiser to deliver, as provided by this subsection, a copy of the notice of issuance of the order and a copy of the order required by Subsection (d) not later than the 21st day after the date the ARB issues the order.

SECTION 19. Amends Section 41.66, Tax Code, by amending Subsection (a) and adding Subsection (q), as follows:

(a) Requires the ARB to conduct hearings in accordance with the hearing procedures adopted by the ARB under Section 41.01(c). Deletes existing text requiring the ARB to establish by rule the procedures for hearings it conducts as provided by Subchapters A and C of this chapter. Deletes existing text requiring the ARB to post a copy of the hearing procedures in a prominent place in the room in which the hearing is held.

(q) Authorizes a person who owns property in an appraisal district or the chief appraiser of an appraisal district to file a complaint with the taxpayer liaison officer for the appraisal district alleging that the ARB established for the appraisal district has adopted or is implementing hearing procedures that are not in compliance with the model hearing procedures prepared by the comptroller under Section 5.103 or is not complying with procedural requirements under this chapter. Requires the taxpayer liaison officer to investigate the complaint and report the findings of the investigation to the board of directors of the appraisal district. Requires the board of directors to direct the chairman of the ARB to take remedial action if, after reviewing the taxpayer liaison officer's report, the board of directors determines that the allegations contained in the complaint are true. Authorizes the board of directors to remove the member of the ARB serving as chairman

of the ARB from that member's position as chairman if the board determines that the chairman has failed to take the actions necessary to bring the ARB into compliance with Section 5.103(d) or this chapter, as applicable.

SECTION 20. Amends Chapter 41A, Tax Code, is amended by adding Section 41A.015, as follows:

Sec. 41A.015. LIMITED BINDING ARBITRATION TO COMPEL COMPLIANCE WITH CERTAIN PROCEDURAL REQUIREMENTS RELATED TO PROTESTS. (a) Authorizes a property owner who has filed a notice of protest under Chapter 41 to file a request for limited binding arbitration under this section to compel the ARB or chief appraiser, as appropriate, to:

(1) rescind procedural rules adopted by the ARB that are not in compliance with the model hearing procedures prepared by the comptroller under Section 5.103;

(2) schedule a hearing on a protest as required by Section 41.45;

(3) deliver information to the property owner in the manner required by Section 41.461 (Notice of Certain Matters Before Hearing; Delivery of Requested Information);

(4) allow the property owner to offer evidence, examine or cross-examine witnesses or other parties, and present arguments as required by Section 41.66(b) (relating to entitling each party in a hearing regarding a review of appraisal records or a taxpayer protest to present certain arguments);

(5) set a hearing for a time and date certain and postpone a hearing that does not begin within two hours of the scheduled time as required by Section 41.66(i) (relating to requiring that a hearing on a protest filed by a property owner or the designated agent of the owner be set for a certain time and date);

(6) schedule hearings on protests concerning multiple properties identified in the same notice of protest on the same day at the request of the property owner or the property owner's designated agent as required by Section 41.66(j) (relating to requiring an ARB, on request of a property owner, to schedule hearings on protests concerning up to 20 designated properties to be held consecutively on the same day); or

(7) refrain from using or offering as evidence information requested by the property owner under Section 41.461 that was not delivered to the property owner at least 14 days before the hearing as required by Section 41.67(d) (relating to prohibiting certain information from being used or offered in any form as evidence in a hearing regarding a review of appraisal records or a taxpayer protest).

(b) Prohibits a property owner from filing a request for limited binding arbitration under this section unless:

(1) the property owner has delivered written notice to the chairman of the ARB, the chief appraiser, and the taxpayer liaison officer for the applicable appraisal district by certified mail, return receipt requested, of the procedural requirement with which the property owner alleges the ARB or chief appraiser failed to comply on or before the fifth business day after the date the ARB or chief appraiser was required to comply with the requirement; and

(2) the chairman of the ARB or chief appraiser, as applicable, fails to deliver to the property owner on or before the 10th day after the date the notice is delivered a written statement confirming that the ARB or chief appraiser, as applicable, will comply with the requirement or cure a failure to comply with the requirement.

(c) Provides that, except as otherwise provided by Subtitle F (Remedies), the failure to comply with a procedural requirement listed under Subsection (a) is not a ground for postponement of a hearing on a protest. Authorizes an ARB to cure an alleged failure to comply with a procedural requirement that occurred during a hearing by rescinding the order determining the protest for which the hearing was held and scheduling a new hearing on the protest.

(d) Requires a property owner to request limited binding arbitration under this section by filing a request with the comptroller. Prohibits the property owner from filing the request earlier than the 11th day or later than the 30th day after the date the property owner delivers the notice required by Subsection (b)(1) to the chairman of the ARB, the chief appraiser, and the taxpayer liaison officer for the applicable appraisal district.

(e) Requires that a request for limited binding arbitration under this section be in a form prescribed by the comptroller and be accompanied by an arbitration deposit payable to the comptroller in the amount of:

(1) \$450, if the property that is the subject of the protest to which the arbitration relates qualifies as the property owner's residence homestead under Section 11.13 (Residence Homestead) and the appraised or market value, as applicable, of the property is \$500,000 or less, as determined by the appraisal district for the most recent tax year; or

(2) \$550, for property other than property described by Subdivision (1).

(f) Requires the comptroller to prescribe the form to be used for submitting a request for limited binding arbitration under this section. Requires that the form require the property owner to provide:

(1) a statement that the property owner has provided the written notice required by Subsection (b);

(2) a statement that the property owner has made the arbitration deposit required by this section;

(3) a brief statement identifying the procedural requirement with which the property owner alleges the ARB or chief appraiser, as applicable, has failed to comply;

(4) a description of the action taken or not taken by the ARB or chief appraiser regarding the procedural requirement identified under Subdivision (3);

(5) a description of the property to which the award will apply; and

(6) any other information reasonably necessary for the comptroller to appoint an arbitrator.

(g) Requires the comptroller, on receipt of the request and deposit under this section, to appoint an arbitrator from the registry maintained under Section 41A.06 (Registry and Qualification of Arbitrators) who is eligible to serve as an arbitrator under Subsection (p) of this section. Provides that Section 41A.07(h) (relating to authorizing a property owner to request that the comptroller appoint

an initial arbitrator who resides in the county in which the property that is the subject of the appeal is located or an arbitrator who resides outside that county) does not apply to the appointment of an arbitrator under this section.

(h) Provides that the ARB, the chief appraiser, and the property owner are parties to a limited binding arbitration conducted under this section. Authorizes the ARB to appear by counsel, by the chairman, or by a person designated by the chairman. Authorizes the chief appraiser to appear by counsel, in person, or by a designated employee. Authorizes the property owner to appear in the manner provided by certain subsections.

(i) Requires the arbitrator to make an arbitration award and deliver an electronic copy of the award to the property owner, the chairman of the ARB, the chief appraiser, and the comptroller.

(j) Provides that an award under this section:

(1) is required to include a determination of whether the ARB or chief appraiser failed to comply with a procedural requirement as alleged in the request for limited binding arbitration;

(2) if the arbitrator determines that the ARB or chief appraiser failed to comply with a procedural requirement as alleged in the request, is required to direct the ARB or chief appraiser, as applicable, to comply with the procedural requirement, or, if the hearing on the protest has been held and the ARB has issued an order determining the protest, to rescind the order and hold a new hearing on the protest that complies with the procedural requirement;

(3) is required to specify the arbitrator's fee;

(4) is final and is prohibited from being appealed; and

(5) is enforceable as provided by Section 41A.09 (Award; Payment of Arbitrator's Fee).

(k) Provides that, if the arbitrator determines that the ARB or chief appraiser failed to comply with the procedural requirement that was the subject of the limited binding arbitration:

(1) the comptroller, on receipt of a copy of the award, is required to refund the property owner's arbitration deposit, less the amount retained by the comptroller under Section 41A.05(b) (relating to authorizing the comptroller to retain \$50 of the property owner's arbitration deposit to cover the comptroller's administrative costs); and

(2) the appraisal district is required to pay the arbitrator's fee.

(l) Requires the comptroller, if the arbitrator determines that the ARB or chief appraiser complied with the procedural requirement that was the subject of the limited binding arbitration, to pay the arbitrator's fee out of the owner's arbitration deposit and to refund to the owner the owner's arbitration deposit, less the arbitrator's fee and the amount retained by the comptroller under Section 41A.05(b).

(m) Requires the ARB or the chief appraiser, as soon as practicable after receiving notice of an award, to take any action required to comply with the requirements of the award, and, if the award requires the ARB to conduct a new hearing under Chapter 41, to schedule and conduct the hearing.

(n) Provides that an award under this section does not affect the property owner's right to appeal the final determination of a protest by the ARB under Chapter 42 or to pursue any other legal or statutory remedy available to the property owner.

(o) Authorizes a property owner to request a single limited binding arbitration under this section that covers more than one property, more than one protest hearing, or an allegation of the failure by the ARB or chief appraiser to comply with more than one procedural requirement so long as the requirements of Subsection (b) are met with regard to each alleged failure to comply. Provides that the amount of the arbitration deposit and the amount of the arbitrator's fee are computed as if a single property were the subject of the arbitration. Provides that if the arbitration involves property described by Subsection (e)(1) and property described by Subsection (e)(2), the amount of the arbitration deposit and the amount of the arbitrator's fee are computed as if only the property described by Subsection (e)(2) were the subject of the arbitration. Provides that if the arbitration involves an allegation of the failure by the ARB or chief appraiser to comply with more than one procedural requirement, Subsection (k) applies if the arbitrator determines that the ARB or chief appraiser failed to comply with one or more of the procedural requirements that were the subject of the arbitration and Subsection (l) applies if the arbitrator determines that the ARB or chief appraiser complied with all of the procedural requirements that were the subject of the arbitration.

(p) Provides that Section 41A.06 applies to the registration and qualification of an arbitrator under this section except that an arbitrator under this section is required to be a licensed attorney and is required to agree to conduct an arbitration for a fee that is not more than \$400 if the property is described by Subsection (e)(1) or \$500 if the property is described by Subsection (e)(2).

(q) Provides that, except as otherwise provided by this section, the provisions of this chapter apply to a limited binding arbitration under this section. Provides that, in the event of a conflict between this section and another provision of this chapter, this section controls.

SECTION 21. Amends Section 42.01, Tax Code, by adding Subsection (a-1), as follows:

(a-1) Prohibits a property owner from appealing separately the portion of an order of an ARB determining the appraised value of land or the portion of the order determining the appraised value of an improvement to the land if the order determined the appraised value of both.

SECTION 22. Amends Section 42.015(a), Tax Code, as follows:

(a) Provides that a person leasing property who is contractually obligated to reimburse the property owner for taxes imposed on the property is entitled to appeal an order of the ARB determining a protest relating to the property brought by certain persons, including a protest brought by the property owner if the property owner does not appeal the order. Makes nonsubstantive changes.

SECTION 23. Amends Section 42.23(e), Tax Code, as follows:

(e) Prohibits a court from entering an order that conflicts with Subsection (d) (relating to providing that each party to an appeal of an ARB order is considered a party seeking affirmative relief for the purpose of discovery regarding expert witnesses if certain criteria are met), including a protective order under Rule 192.6 of the Texas Rules of Civil Procedure. Deletes existing text authorizing the court to enter a protective order to modify the provisions of this subsection under Rule 192.6 of the Texas Rules of Civil Procedure.

SECTION 24. Provides that Section 11.253, Tax Code, as amended by this Act, applies only to a tax year beginning on or after January 1, 2022.

SECTION 25. Provides that Section 25.19, Tax Code, as amended by this Act, applies only to a notice of appraised value for a tax year beginning on or after January 1, 2022.

SECTION 26. Provides that Section 41.445, Tax Code, as added by this Act, and Section 41.45(b-1), Tax Code, as amended by this Act, apply only to a protest under Chapter 41, Tax Code, for which a notice of protest is filed by a property owner on or after the effective date of this Act. Provides that a protest under Chapter 41, Tax Code, for which a notice of protest is filed by a property owner before the effective date of this Act is governed by the law in effect on the date the notice of protest is filed, and the former law is continued in effect for that purpose.

SECTION 27. Provides that Sections 41.45 and 41.47, Tax Code, as amended by this Act, apply only to a protest under Chapter 41, Tax Code, for which a notice of protest is filed on or after January 1, 2022.

SECTION 28. Provides that Sections 42.01, 42.015, and 42.23, Tax Code, as amended by this Act, apply only to an appeal under Chapter 42, Tax Code, that is filed on or after January 1, 2022.

SECTION 29. (a) Effective date, except as provided by Subsection (b) of this section: January 1, 2022.

(b) Effective date, Sections 5.103, 5.104, 6.04, 6.052, 41.01, 41.461, and 41.66, Tax Code, as amended by this Act, and Section 41A.015, Tax Code, as added by this Act: upon passage or September 1, 2021.