

BILL ANALYSIS

Senate Research Center

S.B. 63
By: Nelson
Finance
6/7/2021
Enrolled

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Taxpayers who file an application for exemption or special appraisal are not receiving timely notice of the chief appraiser's determination regarding the application. Taxpayers often do not receive notice of the reason(s) why a chief appraiser has denied an application for exemption or special appraisal. Current law does not specify a time limit in which the appraisal review board must schedule the taxpayer's hearing. In certain counties taxpayers have had to wait over a year to have their motion or protest heard by the appraisal review board. Further, current law does not provide a timeframe in which the board of directors or the local administrative district judge must take action regarding an alleged violation committed by a member of the appraisal review board.

S.B. 63 makes reforms to the governance of appraisal districts, improves transparency and access to training, and makes the appraisal process more responsive and easier for taxpayers to navigate.

(Original Author's / Sponsor's Statement of Intent)

S.B. 63 amends current law relating to the property tax appraisal system, including an entitlement to a tax exemption based on the appraised value of certain renewable energy devices.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Comptroller of Public Accounts of the State of Texas in SECTION 1 (Section 5.03, Tax Code) and SECTION 2 (Section 5.041, Tax Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 5.03, Tax Code, by adding Subsection (d), to authorize the Comptroller of Public Accounts of the State of Texas (comptroller), notwithstanding any other provision of Title 1 (Property Tax Code), after providing notice, to require a document, payment, notice, report, or other item required to be submitted to the comptroller under Title 1 to be submitted electronically and to send a document, payment, notice, report or other item the comptroller is required to send under Title 1 electronically. Authorizes the comptroller to adopt rules to administer this subsection, including rules specifying the format of an item electronically submitted to or sent by the comptroller.

SECTION 2. Amends Section 5.041, Tax Code, by amending Subsections (b) and (e-1) and adding Subsection (i), as follows:

(b) Requires that a course established under Subsection (a) (relating to curricula for use in training and educating members of an appraisal review board) provide at least eight hours of classroom or distance training and education, rather than at least eight hours of classroom training and education.

(e-1) Requires that a continuing education course for members of an appraisal review board provide at least four hours of classroom or distance training and education, rather than at least four hours of classroom training and education.

(i) Authorizes the comptroller to adopt rules to implement Section 5.041 (Training of Appraisal Review Board Members), including rules establishing criteria for course availability and for demonstrating course completion.

SECTION 3. Amends Section 6.035(a-1), Tax Code, as follows:

(a-1) Provides that an individual is ineligible to serve on the board of directors of an appraisal district if the individual:

(1) has served as a member of the board of directors for all or part of five terms, unless the individual was the county assessor-collector at the time the individual served as a board member, or the appraisal district is established in a county with a population of less than 120,000;

(2) has engaged in the business of appraising property for compensation for use in proceedings under Title 1 at any time during the preceding three years, rather than has engaged in the business of appraising property for compensation for use in proceedings under Title 1;

(3) creates this subdivision from existing text and makes nonsubstantive changes;
or

(4) has been an employee of the appraisal district at any time during the preceding three years.

Makes nonsubstantive changes.

SECTION 4. Amends Section 6.054, Tax Code, as follows:

Sec. 6.054. RESTRICTION ON EMPLOYMENT BY APPRAISAL DISTRICT. Prohibits an individual from being employed by an appraisal district under certain conditions, including if the individual has served as a member of the appraisal review board for the appraisal district at any time during the preceding two years. Makes nonsubstantive changes.

SECTION 5. Amends Section 6.41(f), Tax Code, to require the appraisal district board of directors, local administrative district judge, or judge's designee that appointed a member of the appraisal review board, as applicable, not later than the 90th day after the date such an official learns of a potential ground for removal of the member, to remove the member or find by official action that the member's removal is not warranted. Makes a conforming change.

SECTION 6. Amends Section 11.27, Tax Code, by amending Subsection (a) and adding Subsection (a-1), as follows:

(a) Makes conforming and nonsubstantive changes.

(a-1) Entitles a person to an exemption from taxation of the appraised value of a solar or wind-powered energy device owned by the person that is installed or constructed on real property and is primarily for production and distribution of energy for on-site use regardless of whether the person owns the real property on which the device is installed or constructed.

SECTION 7. Amends Sections 11.45(a), (b), (d), and (e), Tax Code, as follows:

(a) Provides that the deadline by which the chief appraiser is required to determine each applicant's right to a property tax exemption is as soon as practicable but not later than the 90th day after the later of the date the applicant first qualifies for the exemption or the date the applicant provides to the chief appraiser the information necessary for the chief appraiser to determine the applicant's right to the exemption.

(b) Requires the chief appraiser, if the chief appraiser requires additional information from an applicant, as soon as practicable but not later than the 30th day after the date the application is filed with the chief appraiser, to deliver a written notice to the applicant specifying the additional information the applicant is required to provide to the chief appraiser before the chief appraiser can determine the applicant's right to the exemption. Makes nonsubstantive changes.

(d) Requires the chief appraiser, if the chief appraiser modifies or denies an application, rather than an exemption, to deliver a written notice of the modification or denial to the applicant not later than the fifth day after the date the chief appraiser makes the determination. Requires that the notice state and fully explain each reason the chief appraiser modified or denied the application. Makes nonsubstantive changes.

(e) Requires that the written notice required to be provided by the chief appraiser, if the chief appraiser modifies or denies an application for an exemption under Section 11.35 (Temporary Exemption for Qualified Property Damaged by Disaster), state and fully explain each reason the chief appraiser modified or denied the application.

SECTION 8. Amends Sections 23.44(a), (b), and (d), Tax Code, as follows:

(a) Provides that the deadline by which the chief appraiser is required to determine each claimant's right to the agricultural designation is as soon as practicable but not later than the 90th day after the later of the date the claimant is first eligible for the agricultural designation or the date the claimant provides to the chief appraiser the information necessary for the chief appraiser to determine the claimant's right to the agricultural designation.

(b) Requires the chief appraiser, if the chief appraiser requires additional information from a claimant, as soon as practicable but not later than the 30th day after the date the application is filed with the chief appraiser, to deliver a written notice to the claimant specifying the additional information the claimant is required to provide to the chief appraiser before the chief appraiser can determine the applicant's right to the agricultural designation. Makes nonsubstantive changes.

(d) Requires that the written notice required to be provided if the application is denied state and fully explain each reason the chief appraiser denied the application. Makes nonsubstantive changes.

SECTION 9. Amends Sections 23.57(a), (b), and (d), Tax Code, as follows:

(a) Provides that the deadline by which the chief appraiser is required to determine each applicant's right to have land appraised under Subchapter D (Appraisal of Agricultural Land) is as soon as practicable but not later than the 90th day after the later of the date the applicant's land is first eligible for appraisal under Subchapter D or the date the applicant provides to the chief appraiser the information necessary for the chief appraiser to determine the applicant's right to have the applicant's land appraised under Subchapter D. Makes a nonsubstantive change.

(b) Requires the chief appraiser, if the chief appraiser requires additional information from an applicant, as soon as practicable but not later than the 30th day after the date the application is filed with the chief appraiser, to deliver a written notice to the applicant specifying the additional information the applicant is required to provide to the chief appraiser before the chief appraiser can determine the applicant's right to have the applicant's land appraised under Subchapter D. Makes nonsubstantive changes.

(d) Makes conforming and nonsubstantive changes.

SECTION 10. Amends Sections 23.79(a), (b), and (d), Tax Code, as follows:

(a) Provides that the deadline by which the chief appraiser is required to determine each applicant's right to have land appraised under Subchapter E (Appraisal of Timber Land) is as soon as practicable but not later than the 90th day after the later of the date the applicant's land is first eligible for appraisal under Subchapter E or the date the applicant provides to the chief appraiser the information necessary for the chief appraiser to determine the applicant's right to have the applicant's land appraised under Subchapter E. Makes a nonsubstantive change.

(b) Requires the chief appraiser, if the chief appraiser requires additional information from an applicant, as soon as practicable but not later than the 30th day after the date the application is filed with the chief appraiser, to deliver a written notice to the applicant specifying the additional information the applicant is required to provide to the chief appraiser before the chief appraiser can determine the applicant's right to have the applicant's land appraised under Subchapter E. Makes nonsubstantive changes.

(d) Requires that the written notice required to be provided if the application is denied state and fully explain each reason the chief appraiser denied the application. Makes nonsubstantive changes.

SECTION 11. Amends Sections 23.85(a), (b), and (d), Tax Code, as follows:

(a) Provides that the deadline by which the chief appraiser is required to determine each claimant's right to appraisal under Subchapter F (Appraisal of Recreational, Park, and Scenic Land) is as soon as practicable but not later than the 90th day after the later of the date the claimant is first eligible for appraisal under Subchapter F or the date the claimant provides to the chief appraiser the information necessary for the chief appraiser to determine the claimant's right to appraisal under Subchapter F.

(b) Requires the chief appraiser, if the chief appraiser requires additional information from a claimant, as soon as practicable but not later than the 30th day after the date the application is filed with the chief appraiser, to deliver a written notice to the claimant specifying the additional information the claimant is required to provide to the chief appraiser before the chief appraiser can determine the claimant's right to appraisal under Subchapter F. Makes nonsubstantive changes.

(d) Requires that the written notice required to be provided if the application is denied state and fully explain each reason the chief appraiser denied the application. Makes nonsubstantive changes.

SECTION 12. Amends Sections 23.95(a), (b), and (d), Tax Code, as follows:

(a) Provides that the deadline by which the chief appraiser is required to determine each claimant's right to appraisal under Subchapter G (Appraisal of Public Access Airport Property) is as soon as practicable but not later than the 90th day after the later of the date the claimant is first eligible for appraisal under Subchapter G or the date the claimant provides to the chief appraiser the information necessary for the chief appraiser to determine the claimant's right to appraisal under Subchapter G.

(b) Requires the chief appraiser, if the chief appraiser requires additional information from a claimant, as soon as practicable but not later than the 30th day after the date the application is filed with the chief appraiser, to deliver a written notice to the claimant specifying the additional information the claimant is required to provide to the chief appraiser before the chief appraiser can determine the claimant's right to appraisal under Subchapter G. Makes nonsubstantive changes.

(d) Requires that the written notice required to be provided if the application is denied state and fully explain each reason the chief appraiser denied the application. Makes nonsubstantive changes.

SECTION 13. Amends Sections 23.9805(a), (b), and (d), Tax Code, as follows:

(a) Provides that the deadline by which the chief appraiser is required to determine each applicant's right to have land appraised under Subchapter H (Appraisal of Restricted-Use Timber Land) is as soon as practicable but not later than the 90th day after the date the later of the date the applicant's land is first eligible for appraisal under Subchapter H or the date the applicant provides to the chief appraiser the information necessary for the chief appraiser to determine the applicant's right to have the applicant's land appraised under Subchapter H.

(b) Requires the chief appraiser, if the chief appraiser requires additional information from an applicant, as soon as practicable but not later than the 30th day after the date the application is filed with the chief appraiser, to deliver a written notice to the applicant specifying the additional information the applicant is required to provide to the chief appraiser before the chief appraiser can determine the applicant's right to have the applicant's land appraised under Subchapter H. Makes nonsubstantive changes.

(d) Requires that the written notice required to be provided if the application is denied state and fully explain each reason the chief appraiser denied the application.

SECTION 14. Amends Section 25.193(b), Tax Code, to make a conforming change.

SECTION 15. Amends Section 25.25(e), Tax Code, as follows:

(e) Requires the appraisal review board, if a request for hearing is made on or after January 1 but before September 1, to schedule a hearing, if a party brings a motion under Subsection (c) (relating to authorizing the appraisal review board to order changes in the appraisal roll for any of the five preceding years to correct certain errors) or (d) (relating to authorizing a property owner or the chief appraiser to file a motion with the appraisal review board to change the appraisal roll to correct certain errors) as soon as practicable but not later than the 90th day after board approves the appraisal records as provided by Section 41.12 (Approval of Appraisal Records by Board). Requires the appraisal review board, if a request for hearing is made on or after September 1 but before January 1 of the following tax year, to schedule the hearing to be held as soon as practicable but not later than the 90th day after the date the request for the hearing is made.

SECTION 16. Amends Section 41.44(d), Tax Code, to require that a notice of protest form, if the form includes boxes a property owner is required to select from to indicate the reason the owner is filing a protest, permit a property owner who believes that the owner's property was appraised at a value that exceeds its appraised value, was appraised unequally, or both, to select a single box to indicate that the owner is filing a protest for either or both reasons.

SECTION 17. Amends Section 41.45(a), Tax Code, to require the applicable appraisal review board, on the filing of a notice as required by Section 41.44 (Notice of Protest), to schedule a hearing on the protest to be held as soon as practicable but not later than the 90th day after the date the board approves the appraisal records as provided by Section 41.12.

SECTION 18. Amends Section 41.46, Tax Code, by adding Subsection (f), as follows:

(f) Provides that this subsection applies only to the appraisal review board of an appraisal district established in a county with a population of 120,000 or more. Requires the appraisal review board, in addition to the notice required by Subsection (a) (relating to requiring the appraisal review board to deliver written notice of a protest hearing to the property owner initiating a protest), on written request of the property owner initiating the protest, to deliver to the property owner an electronic reminder stating the date, time, and place of the protest hearing that is the subject of the notice. Authorizes the property owner to request that delivery of the electronic reminder be made by e-mail or text message. Requires the property owner to provide in the request the e-mail address or telephone number, as applicable, to which the appraisal review board is required to send the reminder. Requires the appraisal review board to deliver the electronic reminder to the property owner not earlier than the seventh day after the date the appraisal review

board delivers the notice required by Subsection (a) and not later than the day before the date of the hearing. Provides that failure to deliver the electronic reminder required by this subsection is not considered a failure to provide or deliver notice under Section 41.411 (Protest of Failure to Give Notice).

SECTION 19. Amends Section 41.67, Tax Code, by adding Subsection (e), as follows:

(e) Prohibits the applicable chief appraiser from offering evidence or argument at a hearing on a protest in support of a reason for modifying or denying an application other than a reason stated in a notice delivered to the applicant under Section 11.45(d) or (e), 23.44(d), 23.57(d), 23.79(d), 23.85(d), 23.95(d), or 23.9805(d) unless the chief appraiser:

(1) provides written notice to the property owner of the additional reason for modifying or denying the application not later than the 14th day before the date of the hearing; and

(2) establishes that the additional reason was not known to the chief appraiser at the time the chief appraiser delivered to the applicant the notice under Section 11.45(d) or (e), 23.44(d), 23.57(d), 23.79(d), 23.85(d), 23.95(d), or 23.9805(d).

SECTION 20. (a) Provides that Section 6.035(a-1), Tax Code, as amended by this Act, does not affect the eligibility of a person serving as an appointed member of the board of directors of an appraisal district immediately before the effective date of this Act to continue to serve on the board for the remainder of the term to which the member was appointed.

(b) Provides that service as an appointed member of the board of directors of an appraisal district before January 1, 2022, does not count for purposes of determining whether a person is ineligible to serve on the board of directors of an appraisal district under Section 6.035(a-1)(1), Tax Code, as added by this Act.

SECTION 21. Makes application of Section 6.054, Tax Code, as amended by this Act, prospective.

SECTION 22. Makes application of Section 6.41(f), Tax Code, as amended by this Act, prospective.

SECTION 23. Provides that the amendment made by this Act to Section 11.27, Tax Code, is a clarification of existing law and does not imply that existing law may be construed as inconsistent with the law as amended by this Act.

SECTION 24. Makes application of Sections 11.45(a) and (b), 23.44(a) and (b), 23.57(a) and (b), 23.79(a) and (b), 23.85(a) and (b), 23.95(a) and (b), and 23.9805(a) and (b), Tax Code, as amended by this Act, prospective.

SECTION 25. Makes application of Sections 11.45(d) and (e), 23.44(d), 23.57(d), 23.79(d), 23.85(d), 23.95(d), and 23.9805(d), Tax Code, as amended by this Act, prospective.

SECTION 26. Makes application of Section 25.25(e), Tax Code, as amended by this Act, prospective.

SECTION 27. Makes application of Section 41.45, 41.46, and 41.67, Tax Code, as amended by this Act, prospective.

SECTION 28. Effective date: September 1, 2021.