

BILL ANALYSIS

Senate Research Center
87R2031 TJB-D

S.B. 63
By: Nelson
Finance
4/2/2021
As Filed

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 makes the appraisal process more responsive and easier for taxpayers to navigate.

As proposed, S.B. 63 amends current law relating to the system for appraising property for ad valorem tax purposes.

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 Sections 1.086(a), (b), (c), (d), and (e), Tax Code, as follows:

(a) Requires the chief appraiser or appraisal review board for a district, as applicable, on the written request of the owner of real or personal property to the chief appraiser of the appraisal district in which the property is located, to send each notice required by Title 1 (Property Tax Code) to be sent to the property owner by the chief appraiser or appraisal review board to the e-mail address of the owner. Requires the chief appraiser to promptly forward a copy of the request to the chairman of the appraisal review board. Deletes existing text requiring the chief appraiser of the appraisal district in which the property is located, on the written request of the owner of a residential property that is occupied by the owner as the owner's principal residence, to send each notice required by Title 1 related to a change in value of the property; the eligibility of the property for an exemption; or the grant, denial, cancellation, or other change in the status of an exemption or exemption application applicable to the property to the e-mail address of the owner. Makes nonsubstantive changes.

(b) Requires a property owner to provide the e-mail address to which the chief appraiser and the appraisal review board, rather than the chief appraiser, is required to send notices described by Subsection (a) in a request made under that subsection.

(c) Provides that a chief appraiser or appraisal review board, rather than a chief appraiser, that delivers a notice electronically under Section 1.086 (Delivery of Certain Notice by

E-Mail) is not required to mail the same notice to the property owner unless the notice is required to be sent by certified mail, return receipt requested.

(d) Requires the chief appraiser to promptly forward a copy of the revocation of a request to be notified by e-mail to the chairman of the appraisal review board.

(e) Requires the chief appraiser to promptly notify the chairman of the appraisal review board when a request to receive notices electronically is confirmed. Makes a conforming change.

SECTION 2. Amends Section 6.035(a-1), Tax Code, as follows:

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

(1) has served as a member of the board of directors for all or part of three terms, unless the individual was the county assessor-collector at the time the individual served as a board member;

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

(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 3. 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 4. Amends Section 6.41(f), Tax Code, as follows:

(f) Authorizes a member of the appraisal review board, rather than a member of the board, to be removed from the board by a majority vote of the appraisal district board of directors, or by the local administrative district judge or the judge's designee, as applicable, that appointed the member. Requires the appointing 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

SECTION 5. Amends Sections 11.45(a), (d), and (e), Tax Code, as follows:

(a) Provides that the deadline by which the chief appraiser must determine each applicant's right to a property tax exemption is as soon as practicable but not later than the 90th day after the date the exemption application is filed with the chief appraiser.

(d) Requires that a notice of the modification or denial to the applicant to 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 6. Amends Sections 23.44(a) 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 the agricultural designation is as soon as practicable but not later than the 90th day after the date the application is filed with the chief appraiser.

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

SECTION 7. Amends Sections 23.57(a) 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 date the application is filed with the chief appraiser.

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

SECTION 8. Amends Sections 23.79(a) 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 date the application is filed with the chief appraiser.

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

SECTION 9. Amends Sections 23.85(a) 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 date the application is filed with the chief appraiser.

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

SECTION 10. Amends Sections 23.95(a) 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 date the application is filed with the chief appraiser.

(d) Requires that the written notice, if the application is denied, state and fully explain each reason the chief appraiser denied the application. Makes a nonsubstantive change.

SECTION 11. Amends Sections 23.9805(a) 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 application is filed with the chief appraiser.

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

SECTION 13. Amends Section 25.25, Tax Code, by amending Subsection (e) and adding Subsection (e-1), as follows:

(e) Requires the appraisal review board to schedule a hearing, if a party brings a motion under Subsection (c) (relating to corrections in the appraisal roll) or (d) (relating to incorrect appraisal value), as soon as practicable but not later than the 90th day after the date the request for the hearing is made.

(e-1) Prohibits the applicable chief appraiser from offering evidence or argument at a hearing conducted under Subsection (e) 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).

SECTION 14. Amends Section 41.44(d), Tax Code, as follows:

(d) Requires 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 15. 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 notice is filed.

SECTION 16. Amends Section 41.67, Tax Code, by adding Subsection (e) to prohibit 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).

SECTION 17. 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.

SECTION 18. Makes application of Section 6.054, Tax Code, as amended by this Act, prospective.

SECTION 19. Makes application of Section 6.41(f), Tax Code, as amended by this Act, prospective.

SECTION 20. Makes application of Sections 11.45(a), 23.44(a), 23.57(a), 23.79(a), 23.85(a), 23.95(a), and 23.9805(a), Tax Code, as amended by this Act, prospective.

SECTION 21. 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 22. Makes application of Section 25.25(e), Tax Code, as amended by this Act, and Section 25.25(e-1), Tax Code, as added by this Act, prospective.

SECTION 23. Makes application of Section 41.45(a), Tax Code, as amended by this Act, and Section 41.67(e), Tax Code, as added by this Act, prospective.

SECTION 24. Effective date: September 1, 2021.