

BILL ANALYSIS

Senate Research Center
87R19319 TJB-D

C.S.S.B. 63
By: Nelson
Finance
4/12/2021
Committee Report (Substituted)

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 to be 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, access to trainings, and makes the appraisal process more responsive and easier for taxpayers to navigate.

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

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

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), as follows:

(d) Authorizes 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 course for use in 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 three terms, unless:

(A) the individual was the county assessor-collector at the time the individual served as a board member; or

(B) 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, as follows:

(f) Requires 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 conforming changes.

SECTION 6. 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 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 7. 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 8. 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. Makes a nonsubstantive change.

(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 23.79(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. Makes a nonsubstantive change.

(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 10. 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 11. 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 12. 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 13. Amends Section 25.193(b), Tax Code, to make a conforming change.

SECTION 14. Amends Section 25.25(e), Tax Code, 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.

SECTION 15. 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 16. 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 (Approval of Appraisal Records by Board).

SECTION 17. Amends Section 41.46, Tax Code, by adding Subsection (f), as follows:

(f) Requires the appraisal review board, in addition to the notice required by Subsection (a) (relating to notice of a protest hearing), 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.

SECTION 18. 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 19. 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 20. Makes application of Section 6.054, Tax Code, as amended by this Act, prospective.

SECTION 21. Makes application of Section 6.41(f), Tax Code, as amended by this Act, prospective.

SECTION 22. 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 23. 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 24. Makes application of Section 25.25(e), Tax Code, as amended by this Act, prospective.

SECTION 25. Makes application of Section 41.45, 41.46, and 41.67, Tax Code, as amended by this Act, prospective.

SECTION 26. Effective date: September 1, 2021.