Chapter 939

S.B. No. 1767

AN ACT relating to hearings and protests before appraisal review boards involving ad valorem tax determinations.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 25.25(e), Tax Code, is amended to read as follows:

(e) If the chief appraiser and the property owner do not agree to the correction before the 15th day after the date the motion is filed, a party bringing a motion under Subsection (c) or (d) is entitled on request to a hearing on and a determination of the motion by the appraisal review board. A party bringing a motion under this section must describe the error or errors that the motion is seeking to correct. Not later than 15 days before the date of the hearing, the board shall deliver written notice of the date, time, and place of the hearing to the chief appraiser, the property owner, and the presiding officer of the governing body of each taxing unit in which the property is located. The chief appraiser, the property owner, and each taxing unit are entitled to present evidence and argument at the hearing and to receive written notice of the board's determination of the motion. The property owner is entitled to elect to present the owner's evidence and argument before, after, or between the cases presented by the chief appraiser and each taxing unit. A property owner who files the motion must comply with the payment requirements of Section 25.26 or forfeit the right to a
final determination of the motion.

SECTION 2. Section 41.66(b), Tax Code, is amended to read as follows:

(b) Hearing procedures to the greatest extent practicable shall be informal. Each party to a hearing is entitled to offer evidence, examine or cross-examine witnesses or other parties, and present argument on the matters subject to the hearing. A property owner who is a party to a protest is entitled to elect to present the owner's case at a hearing on the protest either before or after the appraisal district presents the district's case.

SECTION 3. The change in law made by this Act to Section 25.25, Tax Code, applies only to a motion to correct an appraisal roll filed on or after the effective date of this Act.

SECTION 4. The change in law made by this Act to Section 41.66, Tax Code, applies only to a protest for which the notice of protest was filed by a property owner or the designated agent of the owner with the appraisal review board established for an appraisal district on or after the effective date of this Act.

SECTION 5. This Act takes effect January 1, 2018.
I hereby certify that S.B. No. 1767 passed the Senate on April 12, 2017, by the following vote: Yeas 30, Nays 0, one present not voting.

I hereby certify that S.B. No. 1767 passed the House on May 24, 2017, by the following vote: Yeas 146, Nays 0, two present not voting.

Approved:

6 - 10 - 2017

Date

Greg Abbott
Governor
TO: Honorable Dennis Bonnen, Chair, House Committee on Ways & Means

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB1767 by Buckingham (Relating to hearings and protests before appraisal review boards involving ad valorem tax determinations.), As Engrossed

No fiscal implication to the State is anticipated.

The bill would amend Tax Code Chapters 25, regarding local appraisal, and 41, regarding local review, to entitle a property owner to elect to present evidence and argument at an appraisal roll correction hearing before, after, or between the cases presented by the chief appraiser and each taxing unit and to entitle a property owner to elect to present the owner's case at a protest hearing either before or after the appraisal district.

The bill would not affect taxable property values, tax rates, collection rates, or any other variable which might affect the revenues of units of local governments or the state.

This bill would be effective January 1, 2018.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts
LBB Staff: UP, KK, SD, SJS
TO: Honorable Jane Nelson, Chair, Senate Committee on Finance

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB1767 by Buckingham (relating to hearings and protests before appraisal review boards involving ad valorem tax determinations.), Committee Report 1st House, Substituted

No fiscal implication to the State is anticipated.

The bill would amend Tax Code Chapters 25, regarding local appraisal, and 41, regarding local review, to entitle a property owner to elect to present evidence and argument at a appraisal roll correction hearing before, after, or between the cases presented by the chief assessor and each taxing unit and to entitle a property owner to elect to present the owner's case at a protest hearing either before or after the appraisal district.

The bill would not affect taxable property values, tax rates, collection rates, or any other variable which might affect the revenues of units of local governments or the state.

This bill would be effective January 1, 2018.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts
LBB Staff: UP, KK, SD, SJS
TO: Honorable Jane Nelson, Chair, Senate Committee on Finance

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB1767 by Buckingham (Relating to hearings and protests before appraisal review boards involving ad valorem tax determinations.), As Introduced

Passage of the bill would prohibit an appraisal review board from determining the appraised value of a protested property to be an amount greater than the appraised value of the property as shown in the appraisal records unless agreed to by the parties to the protest. As a result, taxable property values could be reduced and the related costs to the Foundation School Fund could be increased through the operation of the school finance formulas.

The bill would amend Chapter 41 of the Tax Code, regarding local review, to prohibit an appraisal review board from determining the appraised value of a protested property to be an amount greater than the appraised value of the property as shown in the appraisal records submitted to the board by the chief appraiser unless agreed to by the parties to the protest. The bill would amend Chapter 25 of the Tax Code, local appraisal, and Chapter 41 of the Tax Code, regarding local review, to entitle a property owner to elect to present evidence and argument at an appraisal roll correction hearing before, after, or between the cases presented by the chief appraiser and each taxing unit and to entitle a property owner to elect to present the owner's case at a protest hearing either before or after the appraisal district.

The bill's provision that would prohibit an appraisal review board from determining the appraised value of a protested property to be an amount greater than the appraised value of the property as shown in the appraisal records unless agreed to by the parties to the protest could create a cost to local taxing units and to the state through the school funding formulas. Currently, an appraisal review board may increase, decrease, or make no change to a property's appraised value. Because information on the number of properties for which the value is increased by an appraisal review board is unknown, the cost cannot be estimated.

The bill would be effective January 1, 2018.

Local Government Impact

Passage of the bill would prohibit an appraisal review board from determining the appraised value of a protested property to be an amount greater than the appraised value of the property as shown in the appraisal records unless agreed to by the parties to the protest. As a result, taxable property values and the related ad valorem tax revenue for units of local government could be reduced.
Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: UP, KK, SD, SJS