

Appraisal Legislation

SB 812, SB 1943, SB 2060 AND SB 2



Presenters

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A caveat and some advice

- We are not attorneys
- Read, re-read, then re-re-read SB 2
 - <https://capitol.texas.gov>
- Additional Searches-Select Bill Lookup



Program Notes

- o Legislation Covered:
 - o SB 812 (Appraisal Cap Extension Following Disaster)
 - o SB 1943 (Heir Properties)
 - o SB 2060 (25.19 Notice Change)
 - o SB 2 (Omnibus Property Tax Law)
- o Q&A



SB 812 (Lucio) – Disaster Recover Program

Change to 23.23(g) effective immediately.

- o Amends Sec. 23.23(g), Tax Code
- o Replacement structures
- o Broadens the definition of “disaster recovery program”
 - o Allows Sec. 23.23(g), Tax Code, to apply to disasters as they occur, not after the fact, following legislative action.
- o The general land office and political subdivisions that administer such a program are required to prepare lists of replacement structures described by Sec. 23.23(g) that have been constructed since January 1, 2018 and provide them to the chief appraiser.
 - o Within 14 days of the law going into effect



SB 812 (Lucio)- Disaster Recovery Program

Change to 23.23(g) effective immediately.

- o The chief appraiser is to correct or supplement appraisal records as appropriate for the current year, deliver corrected appraisal notices to affected property owners if required, and notify assessors of corrections or supplements approved for the current year within 60 days or as soon as after receipt of a list as practicable.
- o Assessors and collectors must deliver corrected bills if bills have already been delivered, and collectors must refund paid taxes as applicable.
- o Applies only to the appraisal of a residence homestead for a tax year that begins on or after January 1, 2019
- o Effective Immediately



SB 1943 (Watson) – Heir Property

Change to Code effective 9/1/2019.

Overview

- Intent – Provide a mechanism clearly outlining what is acceptable proof of ownership so an "heir" without a deed or other legal instrument can qualify for a homestead exemption
- Benefit - exemption and appraisal cap
- Amended the Code in Sections 1.07, 5.061, 11.13(h), 11.26, 11.261, and 11.41, 11.43, 11.49, 33.06, 33.065
- 5.061: Comptroller is required to publish a pamphlet to assist owners of such property in applying for their homestead exemptions by January 1, 2020



SB 1943 (Watson) – Heir Property

Change to Code effective 9/1/2019.

- Section 1.04 Definitions is amended to add:
 - (20) "Heir Property" means real property:
 - Owned by one or more individuals (at least one must claim the property as their homestead) and
 - Acquired by the owner(s) by will, transfer on death deed, or intestacy or no will (recorded or unrecorded)
 - (21) "Heir Property Owner" means an owner who claims the property as the individual's homestead
- Section 5.061 Comptroller is required to publish a pamphlet to assist owners of such property in applying for their homestead exemptions
- Must include list of exemptions, how to apply, description of required documents, contact information for free or reduced-fee legal aid and a description of how to record the owner's interest at the county clerk's office



SB 1943 (Watson) – Heir Property

Change to Code effective 9/1/2019.

- Residence Homestead Section 11.13(h) An heir property owner is considered the sole owner and recipient of any exemption
- School Tax Limitation (ceiling) Section 11.26(p) An heir property owner is the sole owner and recipient of a school tax ceiling
- County, City or Jr. College Limitation (ceiling) Section 11.261(n) An heir property owner is the sole owner and recipient of a tax ceiling
- Partial Ownership Section 11.41(c) An heir property owner is the sole owner of the property for purposes of this section



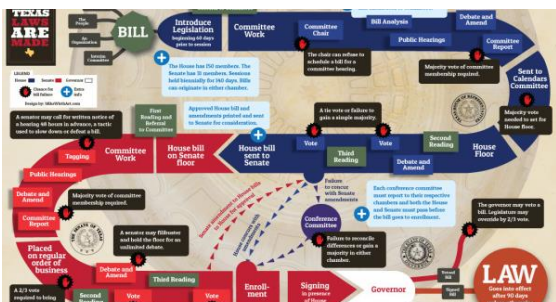


SB 2 - a part of history

Lt. Gov. Dan Patrick, Gov. Greg Abbott and House Speaker Dennis Bonnen were joined by state legislators at a press conference at the Governor's Mansion on May 23. The men announced they'd reached deals on overhauls to the property tax and school finance systems. Miguel Gutierrez Jr./The Texas Tribune

SB 2- Primary Authors: Bettencourt, Creighton, Hancock, Paxton, Taylor

- o Texas Property Tax Reform and Transparency Act of 2019
- o Omnibus property tax (appraisal and assessment) law



SB 2 (by topic area)

- o Delivery of Certain Notices by Email
- o State Administration
- o Local Administration: CAD/BOD Employment
- o Local Administration: ARB
- o Exemptions
- o Filing Date Changes
- o Appraisals, Generally
- o Notice of Appraised Value
- o Notice of Residence Homestead Exemption Eligibility
- o Notice of Certain Cancelled or Reduced Exemptions
- o Truth In Taxation & Tax Rates
- o Website and Database

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SB 2 (by topic area)

- o Payment of Tax Refunds; Interest
- o Additional Penalty for Taxes Due on/after June 1
- o Local Review, Appeals, and the ARB
- o Appeal Through Binding Arbitration
- o Deferral of Delinquent Tax Suit During Appeal
- o CAD Testifying Appraiser Change
- o TIRZ
- o Miscellaneous Changes

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Term Changes

- o Term Changes
 - o "No-new-revenue maintenance and operations rate" instead of "effective maintenance and operations rate"
 - o "No-new-revenue tax rate" instead of "effective tax rate"
 - o "Voter-approval tax rate" instead of "rollback tax rate"

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Delivery of Certain Notices By Email

Change to Section 1.086 effective 1/1/2020.

- o Chief Appraisers are required to deliver notices related to changes in value and exemptions by email if a property owner requests electronic delivery in writing and provides an email address.
- o The chief appraiser must send a confirmation email to the email address before sending notices.
- o Electronic delivery continues until the owner revokes it in writing. The chief appraiser must add a form requesting electronic delivery to the CAD website if it maintains one.
- o Protest evidence may now be delivered in an electronic format if the Chief Appraiser and property owner/agent agree.

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State Administration

Change to 5.01 effective 1/1/2020.

Property Tax Administration Advisory Board

- o New Property Tax Administration Advisory Board is created.
 - o "...with primary responsibility for state administration of property taxation and state oversight of appraisal districts."
- o Comptroller appoints members of the board
- o Purpose is to make recommendations for improving the property tax system
 - o "...improving the effectiveness and efficiency of the property tax system, best practices, and complaint resolution procedures."
- o At least 6 members
- o Advice must be provided at a meeting appointed by the Comptroller

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State Administration

Change to 5.041 effective 1/1/2020.

ARB Member Training

- o ARB member training for first-year members increased to 8 hours
- o Continuing education for ARB members is 4 hours
- o The Comptroller may charge a fee (not to exceed \$50) for each non-ARB member attending

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State Administration

Change to 5.043 effective as soon as practicable after 1/1/2020.

Arbitrator Training

- o Comptroller now required to promulgate an arbitration manual and establish a training program for arbitrators.
 - o Program must emphasize requirements for equal and uniform appraisal and be at least 4 hours in length.
 - o Program must be at least four hours in length
 - o Training may be provided online.
- o The Comptroller may charge a fee (not to exceed \$50) for each person trained, and may contract with service providers other than CAD, ARB, or taxing unit employees or board members.
- o Revisions may be made to the arbitration manual on request, but must be unanimously approved by a Comptroller-selected committee

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State Administration

Change to 5.05 effective 1/1/2020.

Valuation Processes and Manuals

- o New language requires appraisal districts to appraise property in accordance with any appraisal manuals required by law to be prepared and issued by the Comptroller.
- o The new manuals will be used for the "purpose of determining the market value of property" and will be prepared based on generally accepted appraisal methods and techniques.

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State Administration

Change to 5.07 as soon as practicable after 1/1/2020.

Tax Rate Calculation Forms

- o Comptroller will prescribe tax rate calculation forms (with specific requirements).
 - o New forms must be electronic
- o Forms may be revised on request, but revisions must be approved by a comptroller appointed committee of taxpayers, taxing units, and assessors.
- o Meetings of such a committee are not governed by the open meetings act.

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State Administration

Change to 5.09 effective 1/1/2020.

Special District Comptroller Submission

- Special districts have been added to the list of entities for which the comptroller biennially reports appraised values and tax rates.
- The comptroller must prescribe the format for CADs and taxing units to submit information, and must review information submitted.

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State Administration

Change to 5.091 not later than 1/1/2022 with 120,000+ or 1/1/2023 with -120,000.

Statewide List of Tax Rate Changes

- Now all taxing units (including school districts) are required to submit their tax rates to the Comptroller.
- The Comptroller will maintain a statewide list of tax rates.
- CADs are required to report the rates, and the Comptroller must prescribe the manner and deadline for reporting.
 - List will order the tax rates alphabetically according to the county (or counties) in which each taxing unit is located, and
 - The name of each taxing unit
- The publication deadline is changed from December 31 to January of the following year.

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State Administration

Change to 5.102 effective 1/1/2020.

MAP Changes

- Biennial MAP Review updated
- MAP must now include a review of compliance with standards, procedures, and methodology prescribed by any manuals required by law to be prepared and issued by the Comptroller
- Property Tax Administration Advisory Board may establish procedures and standards to conducting and scoring the review.
- Results of compliance with the Comptroller manuals will be included in MAP report

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State Administration

Change to 5.104 effective 1/1/2020.

ARB Survey

- o There is a new ARB survey
- o Comptroller will prescribe contents and procedures for a new survey of appraisal review board participants.
 - o Including a method that allows electronic submission of the survey (online)
- o Persons eligible to complete the survey is expanded.
 - o Property owner whose property is the subject of the motion or protest
 - o Designated agent of the owner
 - o A designated representative of the appraisal district in which the motion or protest is filed
- o Survey can be submitted in person, by mail, by email, or online

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State Administration

Change to 5.104 effective 1/1/2020.

ARB Survey

- o Survey must allow for comments and suggestions on various matters, including the "fairness and efficiency of the appraisal review board."
- o CADs must provide a notice of the availability of the survey including specified information at or before the first hearing on a motion or protest and with each order delivered.
- o The ARB must provide verbal notice of the survey to the owner or agent at or before the first hearing.
- o Only one notice is required for hearings occurring for the same owner or agent on the same day.
- o CADs may not require completion of the survey at the CAD office.

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State Administration

Change to 5.13 effective 1/1/2020.

Audits and Appraisal Standards

- o Any performance audit of an appraisal district must include a review of compliance with any appraisal manuals issued by the Comptroller

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Local Admin: CAD/BOD Employment

Change/Addition to 6.035(a-1), 6.054 and 6.15(c-1) take effect 1/1/2020.

BOD and CA Wait Time

- 6.035(a-1) Someone who has been compensated in acting in proceedings as an appraiser/agent must wait 3 years instead of 5 years before serving on the BOD or as a chief appraiser.

Employment Prohibitions

- 6.054 An individual may not be employed by an appraisal district if the individual is:
 - (1) an officer of a taxing unit that participates in the appraisal district; or
 - (2) an employee of a taxing unit that participates in the appraisal district.

BOD Communication with Chief Appraiser

- 6.15 (c-1) Subsections (a) and (b) do not prohibit a member of the board of directors of an appraisal district from transmitting to the chief appraiser without comment a complaint by a property owner or taxing unit about the appraisal of a specific property, provided that the transmission is in writing.

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Local Admin: Property Owner Assistance

Addition of 6.16 effective 1/1/2020.

Sec. 6.16. RESIDENTIAL PROPERTY OWNER ASSISTANCE.

(a) The chief appraiser of an appraisal district may maintain a list of the following individuals who have designated themselves as an individual who will provide free assistance to an owner of residential property that is occupied by the owner as the owner's principal residence:

- (1) a real estate broker or sales agent licensed under Chapter 1101, Occupations Code;
- (2) a real estate appraiser licensed or certified under Chapter 1103, Occupations Code; or
- (3) a property tax consultant registered under Chapter 1153, Occupations Code.

(b) On the request of an owner described by Subsection (a), a chief appraiser who maintains a list under this section shall provide to the owner a copy of the list.

(c) A list must:

- (1) be organized by county;
- (2) be available on the appraisal district's Internet website, if the appraisal district maintains a website; and
- (3) provide the name, contact information, and job title of each individual who will provide free assistance.

(d) A person must designate himself or herself as an individual who will provide free assistance by completing a form prescribed by the chief appraiser and submitting the form to the chief appraiser.

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Local Administration: ARB

Change to 6.41(b), (b-2), (d-9), (d-10) effective 9/1/2020 so apply to the 2021 ARB appointments.

- 6.41(b) and (b-1) are clean up language to clarify the ARB may be three members, but the exception exists for the appraisal district BOD to increase the size of the district's ARB.
- (b-2) An appraisal district board of directors for a district established in a county (Harris, Dallas, Tarrant, Bexar, Travis, and Collin) with a population of one million or more by resolution of a majority of the board's members shall increase the size of the district's appraisal review board to the number of members the board of directors considers appropriate to manage the duties of the appraisal review board, including the duties of each special panel established under Section 6.425.
- (d-9) In selecting individuals who are to serve as members of the appraisal review board for an appraisal district described by Subsection (b-2), the local administrative district judge shall select an adequate number of qualified individuals to permit the chairman of the appraisal review board to fill the positions on each special panel established under Section 6.425.
- (d-10) is the previous (d-9) that speaks to entering an order designating the members and setting their terms.

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Historical Exemptions

Change to 11.24 effective after 1/1/2020.

Section 11.24 Historical Sites

- o Governing body cannot repeal or reduce historic site exemption unless:
 - o Owner consents; or,
 - o Taxing unit must provide written notice to the owner not later than five years before the date the exemption is repealed or reduced

This law did not change the requirement in 11.43 the application/qualification are annually

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Late Application for Freeport

Change in 11.4391 effective 1/1/2020.

Section 11.4391 Late Application for Freeport Exemption

- o The chief appraiser shall accept, approve or deny late application
 - o on or before the later of June 15;
 - o or the 60th day after the date the chief appraiser delivers notice that a rendition statement or property report is required
- o Section 11.44 requires the chief appraiser to send the notice and application form before February 1 of each year
- o If you do not meet the 11.44 requirement, make sure it is in the mail by April 15th (60 days prior) or it will extend past June 15th

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Rendition - Filing Date Changes

Change to 22.23(d) effective 1/1/2020.

- o Sec. 22.23(d) is amended to change the rendition deadline for certain regulated properties to May 15th upon request
- o A further extension of up to 15 days may be granted for good cause
- o Limited to a rendition or report from a property owner regulated by the Public Utility Commission of Texas, Railroad Commission of Texas, the federal Surface Transportation Board, or Federal Energy Regulatory Commission.

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Appraisals (Generally)

Addition to 23.01 effective 1/1/2020.

Appraisal Methods and Techniques

- o New subsection (h) for Sec. 23.01 provides that appraisal methods and techniques included in the most recent versions of the:
 - o Appraisal of Real Estate,
 - o Dictionary of Real Estate Appraisal,
 - o USPAP (Uniform Standards of Professional Appraisal Practice), and
 - o A publication that includes information related to mass appraisal are considered generally accepted appraisal methods and techniques.



Local Appraisal –Notice of Appraised Value

Change to 25.19 effective 1/1/2020 but 25.19(b-3) and (b-4) effective 1/1/2021.

- o Subsection (b-2) that addressed the situs/ mailing address match is repealed and is replaced by Section 25.192.
- o Subsection (b-3) addresses notices telling owners over \$50M they have a right to be heard by an ARB Special Panel (CADs described by Section 6.425(b))
- o Subsection (b-4) Subsection (b)(5) applies only to a notice of appraised value required to be delivered by the chief appraiser of an appraisal district established in a county with a population of less than 120,000. This subsection expires January 1, 2022.
- o Subsection (b)(5) in italic typeface, the following statement: *"The Texas Legislature does not set the amount of your local taxes. Your property tax burden is decided by your locally elected officials, and all inquiries concerning your taxes should be directed to those officials."*



Notice of Residence Homestead Exemption Eligibility

Addition of 25.192 effective 1/1/2020.

- o Sec. 25.192. NOTICE OF RESIDENCE HOMESTEAD EXEMPTION ELIGIBILITY.
 - o (a) Provides that this section applies only to residential property that has not qualified for a residence homestead exemption in the current tax year. (same mailing address/situs)
 - o (b) Requires the chief appraiser, if the records of the appraisal district indicate that the address of the property is also the address of the owner of the property, to send to the property owner a notice that contains certain specified language and statements.
 - o Language includes: "NOTICE. A residence homestead exemption from ad valorem taxation is NOT currently being allowed on the property listed below. However, our records show that this property may qualify for a residence homestead exemption, which will reduce your taxes." and "According to the records of the appraisal district, the property described in this notice may be your primary residence and may qualify for a residence homestead exemption from ad valorem taxation. If the property is your home and you occupy it as your primary residence, the property likely qualifies for one or more residence homestead exemptions, which will reduce the amount of taxes imposed on the property. The form needed to apply for a residence homestead exemption is enclosed. Although the form may state the deadline for filing an application for a residence homestead exemption is April 30, a late application for a residence homestead exemption will be accepted if filed before February 1, (next year application must be filed). There is no fee or charge for filing an application or a late application for a residence homestead exemption **or list the address to which the property is sent.**"
 - o (c) Requires the notice required by this section to be accompanied by an application form for a residence homestead exemption.
 - o (d) Requires the notice required by this section, if a property owner has elected to receive notices by e-mail as provided by Section 1.086, to be sent in that manner separately from any other notice sent to the property owner by the chief appraiser.



Notice of Certain Cancelled or Reduced Exemptions

Addition of 25.193 effective 1/1/2020.

- o Sec. 25.193. NOTICE OF CERTAIN CANCELLED OR REDUCED EXEMPTIONS.
- o (a) Requires the chief appraiser, by April 1 or as soon thereafter as practicable if the property is a single-family residence that qualifies for an exemption under Section 11.13 (Residence Homestead), or by May 1 or as soon thereafter as practicable in connection with residential property that does not qualify for an exemption under Section 11.13, to deliver a clear and understandable written notice to a property owner if an exemption or partial exemption that was approved for the preceding year was canceled or reduced for the current year.
- o (b) Requires the notice required by this section, if a property owner has elected to receive notices by e-mail as provided by Section 1.086, for property described by that section, to be sent in that manner regardless of whether the information was also included in a notice under Section 25.19 (Notice of Appraised Value) and to be sent separately from any other notice sent to the property owner by the chief appraiser.

We are already acting through Section 11.43(h) to send a cancellation notice to a current owner when this action is taken. This is a notice to a **new or current owner**, that is specific to the property, not the owner, indicating there is a difference in taxable value from last year to this year.

Submission of Rolls to Taxing Units

Change to 26.01 effective 1/1/2020.

- o 26.01 (a-1) If by July 20 the appraisal review board for an appraisal district has not approved the appraisal records for the district as required under Section 41.12, the chief appraiser shall not later than July 25 prepare and certify to the assessor for each taxing unit participating in the district an estimate of the taxable value of property in that taxing unit.

This is similar to the process we do in 26.01(c) for those properties that do not get approved by them, but will be supplemented once resolved. This change in law indicated that if the records have not been approved at all, the chief must do a certification. ***So, if any way possible, seek substantial approval of the appraised value by July 20th or you will need to provide a certification on all records based on an estimate.***

41.12(b) The appraisal review board must complete substantially all timely filed protests **before** approving the appraisal records and may not approve the records if the sum of the appraised values, as determined by the chief appraiser, of all properties on which a protest has been filed by not determined is more than 5% of the total appraised value of all other taxable properties.

Undetermined Protested Appraised Value/All Other Appraised Value of **Taxable Property** < 5%

Payment of Tax Refunds and Interest and Additional Penalty for Taxes Due After June 1

Changes to 31.12 and 33.08 are effective 1/1/2020.

- o 31.12(a) and (b) Adds Section 26.075(k) to the list of certain taxes that may be refunded with no interest due on the amount refunded if the refund is paid by a specified date.
- o 33.08(b) Deletes Section 26.07(f) (relating to the issuance of corrected bills) and adds Section 26.075(j) to a list of sections under which taxes that become delinquent on or after June 1 may incur an additional penalty to defray the costs of collection, as provided by the governing body of the taxing unit or appraisal district, in the manner required by law for official action.

Matthew Tepper will cover these changes in more detail tomorrow morning.

Local Review, Appeals, and ARB

Change to 41.03 effective 1/1/2020.

Taxing Unit Challenge

- o Tax Code Sec. 41.03 is amended to remove a taxing unit's ability to challenge appraisal records on the basis of level of appraisal.



Local Review, Appeals, and ARB

Change to 41.44 and 41.45 apply only to a protest filed on or after 1/1/2021.

Special ARB Panels

- o Tax Code Sec. 41.44 is amended to require protest forms to allow requests for property to be heard by special panels, if applicable.
- o Tax Code Sec. 41.45 is amended to provide procedures for hearings by special panels.
 - o Special panels can only hear protests for eligible property if the owner requests hearing by the special panel.
 - o Decision of Special Panel must be approved by the entire ARB
 - o If not accepted, the board may refer the protest for rehearing with another special panel composed of members who did not hear the original protest or,
 - o If there are not at least three other special members who did not hear the original protest, the board may determine the protest.
- o Notice of Special Panel hearings must be sent according to existing requirements.



Local Review, Appeals, and ARB

Change to 41.46 effective 1/1/2020.

ARB Hearing Scheduling Notices

- o Tax Code Sec. 41.46 is amended in a few, meaningful ways.
- o Now, the written scheduling notice must be delivered not later than 15 days before the date of the hearing. The notice must include:
 - o The date, time, and place of the hearing.
 - o Description of the subject matter of the hearing sufficient to identify the specific action protested, such as:
 - o Determination of appraised value,
 - o Denial of exemption, or
 - o Determination that the owner's land does not qualify for special appraisal.
 - o Statement regarding owner's right to postponement



Local Review, Appeals, and ARB

Change to 41.461 effective 1/1/2020.

41.461 – Delivery of Evidence and Charges for Evidence

- o Heading Change
 - o "Notice Of Certain Matters Before Hearing: Delivery of Requested Information
- o Reminder, this is within the existing framework and deadlines. Meaning, all of this has to be done *at least* 14 days before the hearing.
- o Sec. 41.461 is amended to provide that the notice required by the section notify the owner that they are entitled on request to a copy of the data, schedules, formulas, and all other information that the chief appraiser **will** introduce at the hearing to establish any matter at issue.
- o This amendment substitutes "will" for "plans to," which means the CAD should be prepared to reduce all of its evidence to writing.



Local Review, Appeals, and ARB

Change to 41.461 effective 1/1/2020.

41.461 – Delivery of Evidence and Charges for Evidence (continued)

- o The chief appraiser may not charge for copies, irrespective of how prepared or delivered.
- o The chief appraiser must deliver information requested by the owner or agent by first class mail to the address provided in the request for information, in an electronic format provided by an agreement under Sec. 1.085, or by directing the owner or agent to a secure website with user registration and authentication, or to an exact internet address on a website maintained by the CAD on which the requested information is identifiable and readily available. If the chief appraiser directs the owner or agent to a website, the notice must include a statement in conspicuous font that the owner or agent may receive the information by first class mail or in person at the appraisal office upon request. The chief appraiser must provide the information by mail or in person if the owner requests it.



Local Review, Appeals, and ARB

Change to 41.461 effective 1/1/2020.

41.461 – Delivery of Evidence and Charges for Evidence (continued)

- o The chief appraiser must deliver information requested by the owner or agent:
 - o By first class mail to the address provided in the request for information,
 - o In an electronic format provided by an agreement under Sec. 1.085, or
 - o By directing the owner or agent to a secure website with user registration and authentication, or to an exact internet address on a website maintained by the CAD on which the requested information is identifiable and readily available.
- o If the chief appraiser directs the owner or agent to a website, the notice must include a statement in conspicuous font that the owner or agent may receive the information by first class mail or in person at the appraisal office upon request.
- o The chief appraiser must provide the information by mail or in person if the owner requests it.



Local Review, Appeals, and ARB

Change to 41.47 effective 1/1/2020.

ARB and Increased Values

- o Sec. 41.47 is amended to provide that the board may not increase appraised value above the amount shown in the appraisal records.
- o There are some exceptions:
 - o Can increase when requested and agreed to by the owner, or
 - o When the action under protest is cancellation, modification, or denial of an exemption or a determination that the owner doesn't qualify for agricultural or timber special appraisal.

ARB Orders

- o Sec. 41.47 is amended to require the ARB to include the Sec. 5.104 survey and instructions for completing it with the ARB order.
- o The ARB must issue orders within 30 days of the hearing, except in Harris County, which has 45 days.

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Local Review, Appeals, and ARB

Change to 41.47 effective 1/1/2020.

"Top Line"

- o The chief appraiser and property owner may agree to a value known as a top line but may agree that the owner retains the right to appeal the value.
- o The chief appraiser and the owner or agent may file a joint motion with the board requesting disposition of the protest by agreed order.
- o The parties may specify that the order is appealable.
- o The motion must contain the terms of disposition.
- o The board must issue the agreed order within five days of filing.

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Local Review, Appeals, and ARB

Change to 41.66 effective 1/1/2020.

ARB Scheduling Changes

- o Sec. 41.66 is amended to insert "or designated agent of the owner" after owner where that is not specified.
- o All hearings must be set for a time and date certain, whether or not the owner is represented by an agent.
- o The owner or agent may make multiple requests for the ARB to schedule up to 20 designated properties consecutively on the same day. Current law allows this request to be made only once.

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Local Review, Appeals, and ARB

Change to 41.66(j) and (j-1) effective 1/1/2020.

ARB Scheduling Changes

- o New subsection (j-1) allows the ARB to schedule all protests by an owner or designated agent of the owner to be held consecutively.
 - o The notice of the hearings must state the date and time that the first hearing will begin, state the date the last hearing will end, and list the order in which the hearings will be held.
 - o The order of the hearings listed in the notice may not be changed without the agreement of the property owner or the designated agent of the owner, the chief appraiser, and the appraisal review board.
 - o The board may not reschedule a hearing for which notice is given under this subsection to a date earlier than the seventh day after the date the last hearing was scheduled to end unless agreed to by the property owner or the designated agent of the owner, the chief appraiser, and the appraisal review board.
 - o Unless agreed to by the parties, the board must provide written notice of the date and time of the rescheduled hearing to the property owner or the designated agent of the owner not later than the seventh day before the date of the hearing.

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Local Review, Appeals, and ARB

Change to 41.66(j-2) effective 1/1/2020, 41.66(k) and (k-1) effective 9/1/2020.

ARB Scheduling Changes

- o Sec. New subsection (j-2) requires a CAD to schedule hearings for protest filed by owners who are 65 or older, disabled, a military service member, a military veteran, or the spouse of a military service member or military veteran before scheduling a hearing on a protest filed by a designated agent of a property owner.
 - o At one point, these were to be scheduled before a protest filed by an agent.
- o (k) that deals with random panel assignment does not apply to 6.425 special panels
- o New subsection (k-1) sets out procedures for requesting, scheduling, and conducting special panel hearings.
 - o A non-qualifying property may be heard by a Special Panel if the assignment is requested or consented to by the property owner or agent.
 - o Protests assigned to Special Panels shall be randomly assigned
 - o Special Panel reassignments (to another SP) must be agreed to by the owner or agent.
 - o If the ARB has cause to reassign a protest to another SP, the owner or agent may agree to the reassignment or may request a postponement. The ARB shall postpone upon that request.

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Local Review, Appeals, and ARB

Change to 41.66(p) effective 1/1/2020.

ARB Scheduling Changes

- o New subsection (p) requires the ARB to provide the owner or agent with documents indicating that members of the board signed the hearing affidavit.
 - o This is the affidavit stating that the ARB member has not communicated with another person in violation of Subsection (f).

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Local Review, Appeals, and ARB

Change to 41.67 effective 1/1/2020.

Restrictions on CAD Evidence at the ARB

- Sec. 41.67 is amended to provide that information requested under Sec. 41.461 which was not delivered at least 14 days before the scheduled or postponed hearing may not be used or offered in any way, including as a document or through argument or testimony.
- The requirement does not apply to information offered to rebut evidence or argument presented at the hearing by the owner or agent.

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Local Review, Appeals, and ARB

Change to 41.71 effective 1/1/2020.

Night and Weekend ARB Hearings

- Sec. 41.71 is amended to require the ARB by rule to provide for hearings on Saturdays and after 5 pm on weekdays.
- The ARB may not schedule the first weekday protest to begin after 7 PM.
- Hearings may not be held on Sundays.

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Appeal Through Binding Arbitration

Change to 41A.03 effective 1/1/2020.

Arbitrations Involving Contiguous Tracts of Land

- Sec. 41A.03(a-1) is amended to allow the owner to pay a single arbitration deposit for contiguous tracts of land that she owns.
- "Contiguous tracts of land" means improved or unimproved tracts of land that are touching or that share a common boundary, as determined using appraisal district records or legal descriptions of the tracts.
 - Meaning two or more adjacent tracts of land with a shared ownership can file for arbitration with one deposit.

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Appeal Through Binding Arbitration

Change to 41A.06(b) if arbitrator is serving before 1/1/2020 has 120 days after training is available to meet this requirement.

Arbitrator Training

- Sec. 41A.06(b) is amended to require arbitrators to complete both the comptroller training program for ARBs and the program for arbitrators.
- A certificate will be issued for completed courses.
- Arbitrators must also complete a "revised training program on property tax law" established specifically for arbitrators.
 - The course must be completed within 120 of being made available if the Comptroller revises the program after registry and determines the program is substantially revised.
- The Comptroller shall remove from the registry an arbitrator who fails to comply with the training requirements (in addition to the existing removal criteria).

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Appeal Through Binding Arbitration

Change to 41A.07 applies to binding arbitration requests received on or after 1/1/2020.

Eligible Arbitrators

- Sec. 41A.07 is amended to eliminate the requirement that an arbitrator live in the county of the location of the appeal.
- Now, the arbitrator must only reside in the state.
- The property owner requesting the arbitrator may specify whether they want an arbitrator from within the county of the appeal or an arbitrator from outside that county.
 - If possible, the Comptroller must follow the property owner's instructions.
 - A property owner is still prohibited from requesting the appointment of a specific arbitrator.
- Sec. 41A.07(f) is amended to change the waiting period for consultants, CAD employees, and others to serve as arbitrators to two years.
- Previous law required a five-year waiting period.

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Appeal Through Binding Arbitration

Change to 41A.07(h) for binding arbitration requests made after 1/1/2020.

Eligible Arbitrators

- (h) A property owner may request that, in appointing an initial arbitrator under this section, the comptroller appoint an 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. In appointing an initial arbitrator under Subsection (a), the comptroller shall comply with the request of the property owner unless the property owner requests that the comptroller appoint an arbitrator who resides in the county in which the property that is the subject of the appeal is located and there is not an available arbitrator who resides in that county. In appointing a substitute arbitrator under Subsection (d), the comptroller shall consider but is not required to comply with the request of the property owner. This subsection does not authorize a property owner to request the appointment of a specific individual as an arbitrator.

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Deferral of Delinquent Tax Suit During Appeal and Scope of Review

Changes to 42.081 and 42.23 effective 1/1/2020.

- Sec. 42.081. DEFERRAL OF DELINQUENT TAX SUIT DURING APPEAL. Prohibits a taxing unit that imposes taxes on property that is the subject of an appeal under this chapter (Judicial Review) from filing a suit to collect a delinquent tax on the property during the pendency of the appeal unless it is determined by the court that the property owner failed to comply with Section 42.08 (Forfeiture of Remedy For Nonpayment of Taxes).
- 42.23 REPEALED (1) If an appraisal district employee testifies as to the value of real property in an appeal under section 42.25 or 42.26, the court may give preference to an employee who is a person authorized to perform an appraisal of real estate under Section 1103.201, Occupations Code.

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PVS – Government Code 403.302

The first year for applicability for (k-1) is 2020.

Section 403.302, Government Code, is amended by adding Subsections (k) and (k-1) and amending Subsection (o) to read as follows:

(k) If the comptroller determines in the final certification of the study that the school district's local value as determined by the appraisal district that appraises property for the school district is not valid, the comptroller shall provide notice of the comptroller's determination to the board of directors of the appraisal district. The board of directors of the appraisal district shall hold a public meeting to discuss the receipt of notice under this subsection.

(k-1) If the comptroller determines in the final certification of the study that the school district's local value as determined by the appraisal district that appraises property for the school district is not valid for three consecutive years, the comptroller shall conduct an additional review of the appraisal district under Section 5.102, Tax Code, and provide recommendations to the appraisal district regarding appraisal standards, procedures, and methodologies. The comptroller may contract with a third party to assist the comptroller in conducting the additional review and providing the recommendations required under this subsection. If the appraisal district fails to comply with the recommendations provided under this subsection and the comptroller finds that the board of directors of the appraisal district failed to take remedial action reasonably designed to ensure substantial compliance with each recommendation before the first anniversary of the date the recommendations were made, the comptroller shall notify the Texas Department of Licensing and Regulation, or a successor to the department, which shall take action necessary to ensure that the recommendations are implemented as soon as practicable. Before February 1 of the year following the year in which the Texas Department of Licensing and Regulation, or a successor to the department, takes action under this subsection, the department, with the assistance of the comptroller, shall determine whether the recommendations have been substantially implemented and notify the chief appraiser and the board of directors of the appraisal district of the determination.

If the department determines that the recommendations have not been substantially implemented, the board of directors of the appraisal district must, within three months of the determination, consider whether the failure to implement the recommendations was under the current chief appraiser's control and whether the chief appraiser is able to adequately perform the chief appraiser's duties.

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