

HB 988 and HB 2941

CAD Administration/Exemptions and Special Appraisal Legislation/ARB Legislation

When experience, reputation and performance matter.

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HB 988 – Electing the CAD Board of Directors

- Amends Tax Code § 6.03
- Applies to a CAD in a **county of 120,000** or more
- A taxing unit with at least 5% of the vote must determine its votes by resolution at the first or second meeting after the date the chief appraiser delivers the ballot.
- That taxing unit must submit its resolution to the CAD not later than the 3rd day after the resolution is adopted.
- Effective Jan. 1, 2022 and applies to the election for board members for terms beginning January 1, 2022. (How do you implement?)
- What happens if the deadline is not met?

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HB 988 – TLO; Sec. 6.052

- TLO must compile and forward complaints to the comptroller
- Already must compile and forward comments and suggestions.
- Deadline to forward is December 31 of each year
- Notwithstanding any other provision of chapter 6 of the Tax Code, TLO does not commit an offense for communicating with the chief appraiser, CAD employee, ARB, Board of Directors, tax agent, property owner, or another person if the communication is made in good faith execution of duties.
- Effective 6/7/21

HB 988 – Communication by Taxing Units

- Adds Tax Code § 6.155
- A member of a governing body, officer or employee of a taxing unit commits an offense if they directly or indirectly communicate with the chief appraiser for the purpose of influencing the value at which property in the district is appraised.
- Exception if the property is owned by the taxing unit member, officer or employee
- Class A Misdemeanor
- Effective 1/1/22
- What does this mean for taxing unit officers or members on your board?
- What does this mean for lawsuits?

HB 988 – Motor Vehicles Leased for Personal Use

- Amends Tax Code § 11.252(d)
- Allows Lessees to certify personal use by written, unsworn declaration, rather than just under oath.
- Penalty for falsifying a government document would still apply.
- Effective 1/1/22

HB 988 – Tangible Personal Property in Transit

- Amends Tax Code § 11.253
- Taxing unit located in area designated as a disaster under Gov. Code 418.014 or .108 can extend the date by which goods-in-transit must be transported to another location to a date not later than the 270th day after the date the person acquired the property in or imported the property into the state.
- The extension applies only to the taxing unit that adopted it, and only for that year.
- Applies only to a disaster declaration after 1/1/20.
- Effective 1/1/22, applies only to a tax year on or after 1/1/22.
- Expires 12/31/25.

HB 988 – Allocation of Value of Vessels

- Amends Tax Code §§ 23.021 and 23.031
- Now allows for the allocation of watercraft that are part of a fleet of vessels based on the total number of miles for the whole fleet, rather than by individual vessel.
- Also allows a fleet owner to designate its principal place of business as the taxable situs of the fleet
- Effective 1/1/22

HB 988 – Separating and Combining parcels

- Amends Tax Code § 25.02
- If the CAD changes an account number, the CAD must provide notice as soon as practicable AND provide notice with the 25.19 notice.
- For property other than residential, imp only, or property that has delinquency, the owner may file written request by Jan. 1 to combine or separate contiguous, identifiable parcels.
- Request 'must contain a legal description as contained in a deed sufficient to describe the property'
- If chief refuses, ARB may order the change by protest or by 25.25 motion
- Combination or separation does not affect the application of generally accepted appraisal techniques, including real property that is part of the same economic unit in the same or another appraisal record
- Effective 1/1/22

HB 988 – Changes to § 25.19 notices

- 25.19 notice must include an explanation of the availability and purpose of an informal.
- Cannot deliver corrected or amended 25.19 notice later than June 1 for property for which a person files a rendition statement or property report as required by Ch. 22, unless to include omitted property or correct a clerical error.
- As soon as practicable after delivering 25.19 notice, chief appraiser must post on the CAD's internet site, if the CAD has one, as part of the appraisal records relating to that property.
- Applies to notice for tax years on or after 1/1/22

HB 988 – Overpayment of taxes

- 31.11 is the section that allows taxpayers to apply to the collector for a refund of an overpayment or erroneous payment and imposes certain procedures and deadlines.
- This amendment makes clear that this section does not apply to refunds resulting from a Chapter 42 appeal.
- Effective 1/1/22

HB 988 – ARB hearing procedures

- ARB must hold a public hearing before adopting hearing procedures.
- By May 15 the ARB must hold the hearing, make any changes, and adopt the procedures by resolution.
- ARB must incorporate (not simply follow) PTAD's model procedures into their procedures. (PTAD will cover more on this.)
- Chairman is responsible for the administration of the hearing procedures.
- ARB must distribute copies to BOD, TLO, and Comptroller within 15 days of adoption
- Must post copy in each hearing room and on the CAD's website.
- Effective now

HB 988 – Single Member ARB panels, Sec. 41.45

- Protest form must permit owner to request a single-member panel.
- ARB shall sit in a single member panel to conduct a hearing if the property owner requests it in the notice of protest or in writing to the ARB not later than the 10th day before the hearing.
- If the recommendation of the single member panel is not accepted by the full board, the board may refer it to another single member panel or the board may determine the protest.
- How do you pick the single member?
- Applies only to protest filed on or after 1/1/22

HB 988 – Informal Conferences, Adds § 41.445

- Appraisal office shall hold an informal with each owner who files a notice of protest and requests an informal. Must be held before the hearing date.
- Applies only to protest filed on or after 1/1/22
- Does this cover agents?

HB 988 – Hearing by Telephone, Sec. 41.45

- The ARB can no longer propose a telephonic hearing
- A property owner can still appear by phone if owner notifies the ARB in writing in the notice of protest or not later than the 10th day before the hearing
- Effective 1/1/22 and applies to protests filed after that date

HB 988 – ARB orders, Amends § 41.47

- ARB order must list separately land and improvements as allocated by the chief appraiser:
 - as shown in the records submitted to the ARB by the chief appraiser, &
 - as finally determined by the board.
- In a county of 120,000 or more, on written request to the chief appraiser, chief appraiser shall deliver by e-mail a copy of the notice of issuance of order and order if the property is not subject to an agreement under Section 1.085. Request may only be made by owner, attorney for owner, or agent. Can request it be sent to owner, attorney, agent or a combo of those.
- Emailed order is in addition to certified mail.
- Request for emailed order must be submitted before the hearing.
- Chief must email order not later than 21st day after ARB issues order.
- Applies only to protest filed on or after 1/1/22

HB 988 – Lessee can appeal owner's order, § 42.015(a)

- Lessee can now appeal an order from a protest filed by the owner. Prior law indicated that lessee could only appeal their own protest.
- Applies only to an appeal filed on or after 1/1/22

HB 988 – Expert deadlines in court; Sec. 42.23(d)

- A court may no longer modify the deadlines under Section 42.23(d) with a protective order under Rule 192.6.
- This statute makes the expert deadlines the same for CAD and Taxpayer for either market or equity claims at the taxpayer's choice if the taxpayer sends an offer and requests mediation within 120 days.
- 42.23 used to include a provision allowing a court to enter a protective order to modify the provisions of that section.
- Question now is: can a court modify the provisions under TRCP 191.1 which generally allows a court to modify discovery for good cause.
- Applies only to an appeal filed on or after 1/1/22

HB 2941 – Appointing ARB members, Sec. 6.41, 6.412

- All ARB members in all counties will now be appointed by the local administrative judge
- Effective 6/7/21. Applies to the appointment of ARB members to terms beginning on or after 1/1/22. Does not affect the term of ARB members serving on 12/31/21 if appointed before that date to a term and expires 12/31/22.

Been asleep? Here's the bumper sticker:

All CADS:

- Taxing units commit a crime if they try to influence value
- Goods in transit deadline can be extended by a taxing unit if disaster declared
- If you combine or separate parcels, you must give notice and a chance to protest; owner can request combination or separation of parcels and you probably will have to do it except in limited circumstances.
- Informals are mandatory if owner requests & must be on NOAV
- NOAV must be put on your website
- No corrected NOAV for rendered property after June 1.
- Separate land and imp value on ARB order
- Owner can request one ARB member to hear their protest.
- Lessee can appeal owner's protest
- Court possibly can't modify expert deadlines

Been asleep? Here's the bumper sticker:

120,000 or over:

- Your big taxing units must vote quickly for your board and must send the resolution to you quickly. TELL THEM.
- Owners can request ARB orders by email.

Under 120,000

- Admin judge now appoints your ARB members.