BINDING ARBITRATION

STEPHANIE MATA – MANAGER, OUTREACH & SUPPORT

ALLISON MANSFIELD – ASSISTANT DIRECTOR

PROPERTY TAX ASSISTANCE DIVISION
TEXAS COMPTROLLER OF PUBLIC ACCOUNTS
WHAT TO EXPECT

- RBA
- LBA
- Legislative Changes
- PTAS
- Workflow Changes
- New Rules & Forms
- Statistics
Regular Binding Arbitration (RBA)

- Appeal of an ARB order
- Homestead or property valued at $5 million or less
- 41.41(a)(1) or (2) protest
HOW RBA FITS INTO THE PROPERTY TAX SYSTEM

Notice
• Notice of Appraised Value

Protest
• Protest before the appraisal review board (ARB)

Appeal
• Appeal final determination in binding arbitration, district court or SOAH
Limited Binding Arbitration (LBA)

- Must have filed Chapter 41 protest
- Violation relating to ARB hearing
LBA TO COMPEL AN ARB OR CHIEF APPRAISER TO:

- Comply with adopted hearing procedures and rescind ARB rules not in compliance with Model Hearing Procedures
- Schedule an ARB hearing
- Deliver info required by 41.461
- Allow owner to offer evidence, examine or cross-examine witnesses or parties & present arguments
- Set a hearing for a certain date & time and postpone after 2 hours
- Schedule hearings for multiple properties on the same day
- Refrain from using or offering evidence that was not provided as required by 41.67(d)
<table>
<thead>
<tr>
<th>RBA Settlement Values Treated Like Award</th>
<th>Designation of Refund to Agent Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>LBA Reason Update</td>
<td>Filing Process Changes (when PTAS available)</td>
</tr>
</tbody>
</table>
PROPERTY TAX ARBITRATION SYSTEM (PTAS)

Electronic Filing

Credit Card/Bank Draft Payments

Electronic Notifications

Case Management and Reports
PTAS REQUIREMENTS

- Appraisal Districts, Arbitrators & Agents Must Use
- File Online = Pay Online
- User Dashboards & Reports
- Transparency
CURRENT RBA WORKFLOW — UNTIL PTAS IS AVAILABLE

1. Receive ARB Final Order
2. File Request and Deposit with Appraisal District
3. Appraisal District Completes Request and Sends to PTAD
   - PTAD Accepts/Rejects/Asks for More Information
   - Once Accepted — Settlement Period
     - Arbitrator Assigned
     - Hearing Scheduled and Held
8. Award Issued
9. Refund Processed
NEW RBA WORKFLOW — WHEN PTAS IS AVAILABLE

1. Receive ARB Final Order
2. File Request and Deposit in PTAS
3. Appraisal District Completes Review in PTAS
4. PTAD Cure Process
5. Settlement Period
6. Arbitrator Assigned
7. Hearing Scheduled and Held
8. Award Issued
9. Refund Processed
CURRENT LBA WORKFLOW — UNTIL PTAS IS AVAILABLE

1. PO Notifies ARB, Chief Appraiser and TLO of Alleged Failure
2. ARB and/or Chief Appraiser Fail to Comply
3. File Request and Deposit with PTAD
4. PTAD Appoints an Arbitrator (attorney)
5. Arbitrator Issues Determination of Whether the ARB or Chief Appraiser Failed to Comply with a Requirement
6. Refund Processed
NEW LBA WORKFLOW — WHEN PTAS IS AVAILABLE

PO Notifies ARB, Chief Appraiser and TLO of Alleged Failure

ARB and/or Chief Appraiser Fail to Comply

File Request and Deposit in PTAS

Appraisal District Completes Review in PTAS

PTAD Cure Process

PTAD Appoints an Arbitrator (Attorney)

Arbitrator Issues Determination of Whether the ARB or Chief Appraiser Failed to Comply with a Requirement

Refund Processed
<table>
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<tr>
<th>Scope &amp; Construction of Rules &amp; Computation of Time</th>
<th>Definitions</th>
<th>Prohibited Communications</th>
<th>Filing Requests &amp; Deposits</th>
<th>Agent Representation</th>
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<tbody>
<tr>
<td>Appraisal District Processing</td>
<td>Comptroller Processing</td>
<td>Withdrawing a Request</td>
<td>Refunds &amp; Arbitrator Fees</td>
<td>Forms</td>
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<tr>
<td>Communication with Parties</td>
<td>Arbitration Proceedings</td>
<td>Arbitrator Substitution</td>
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</table>

**DIVISION 1 — GENERAL RULES**
DIVISION 2 — LBA FOR PROCEDURAL VIOLATIONS
DIVISION 3 — RBA FOR ARB DETERMINATIONS
DIVISION 4 – COMPTROLLER’S REGISTRY OF ARBITRATORS

Qualification for Inclusion

Application Requirements

Renewal Requirements

Eligibility for Appointment

Responsibility for Profile

Disciplinary Action
Arbitration Statistics
RBA Totals Statewide

- **2019**: 6,359
- **2020**: 8,534
- **2021**: 9,673
- **2022**: 16,432
- **2023**: 19,803

*Request Received*
RBA WITHDRAWALS/SETTLEMENTS STATEWIDE

Year | Withdrawn | Awarded
--- | --- | ---
2019 | 3424 | 2686
2020 | 5869 | 2436
2021 | 6917 | 2595
2022 | 12516 | 3519
RBA DETERMINATIONS BY ARBITRATORS STATEWIDE
LBA Totals Statewide

Requests  Properties

<table>
<thead>
<tr>
<th>Year</th>
<th>Requests</th>
<th>Properties</th>
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<tbody>
<tr>
<td>2021 &amp; Prior</td>
<td>75</td>
<td>109</td>
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<tr>
<td>2022</td>
<td>127</td>
<td>630</td>
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<tr>
<td>2023</td>
<td>33</td>
<td>418</td>
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LBA STATUS STATEWIDE

<table>
<thead>
<tr>
<th>Year</th>
<th>Determined</th>
<th>Not Determined</th>
<th>In Process</th>
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</thead>
<tbody>
<tr>
<td>2021 &amp; Prior</td>
<td>100%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>2022</td>
<td>86%</td>
<td>2%</td>
<td>12%</td>
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<tr>
<td>2023</td>
<td>67%</td>
<td>18%</td>
<td>15%</td>
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WHO ARE THE ARBITRATORS?

Reside in Texas
Attorney, real estate broker or salesperson, real estate appraiser or certified public accountant
Complete 30-hour training course in arbitration & alternative dispute resolution
Complete Comptroller’s ARB training
Complete Comptroller’s arbitrator training
Agree to conduct the arbitration for allowable fee
ARBITRATORS BY LICENSE TYPE

- Appraiser: 110
- Attorney: 50
- RE Broker: 90
- RE Salesperson: 12
- CPA: 3
Questions?