

- SUBJECT:** Revising the tax code relating to property tax appraisals
- COMMITTEE:** Ways and Means — committee substitute recommended
- VOTE:** 9 ayes — Craddick, Finnell, Heflin, Holzheuser, Horn, T. Hunter, Marchant, Place, Romo
- 0 nays
- 2 absent — Wolens, Oliveira
- WITNESSES:** For — Buddy Winn, Tax Assessor/Collectors Association of Texas; Jim Robinson; Breck Bostwick, Texas Association of Property Tax Professionals; Dale Cummings, Texas Association of Taxpayers
- Against — None
- BACKGROUND:** Under current law, if the owner of a piece of foreclosed property (previously the owner's homestead or agricultural land) wishes to redeem the property and it has been sold to a purchaser other than the taxing authority, the owner may redeem the property by paying the purchaser certain costs.
- The costs include the amount bid for the property, the amount paid in taxes, penalties, recording fees, interests and costs and, if the property is redeemed within one year, a 25 percent redemption premium of the aggregate value of the property. If the property is redeemed within two years, the redeeming owner must pay a 50 percent redemption premium of the aggregate value of the property.
- If the property is sold to the taxing unit, the owner may redeem the property within six months by paying all costs listed above plus a 25 percent redemption premium.
- DIGEST:** CSHB 2941 would make a number of revisions to various sections of the tax code affecting the appraisal of property taxes. The most significant changes include:

Right of Redemption. CSHB 2941 would allow a property owner who was redeeming property purchased by the taxing authority to do so within two years by paying a 25 percent redemption premium. Property that was purchased by a taxing unit and later resold could be redeemed in the same manner as if the taxing unit had not purchased the property.

Training for Appraisal Review Board Members. CSHB 2941 would require the comptroller to establish minimum training standards for members of appraisal review boards and would require such members to attend training classes before participating in hearings.

Delivery of Notices by Certified Mail. CSHB 2941 would require all notices to a taxpayer of exemptions or special valuation be sent to the taxpayer by certified mail.

Allowing agents to act on behalf of owners. CSHB 2941 would make a number of changes to various sections allowing agents of property owners to act on the owner's behalf. In appraisal hearings the agent could act on the owner's behalf so long as the agent's authorization to do so was filed before the hearing date.

Changing protest hearing procedures. CSHB 29412 sets forth basic elements that must be included in the property owner's affidavit filed to a hearing including: the identity of the owner, the identity of the property, a statement by the owner indicating the determination of the appraisal district relevant to the subject of the protest. CSHB 2941 would allow a protest heard by one appraisal review board panel but rejected by the board to be heard by another panel.

CSHB 2941 would also make other changes including:

- prohibiting a former officer or other employee of a taxing unit or appraisal district in a county of more than \$50,000 from serving on an appraisal review board in that county;
- allowing a property owner to provide information up to the time the appraisal records are approved rather than the current time limit of within 31 days after the owner is served with notice;

- allowing for the late filing of a Freeport Exemption (exempting goods in transit from property taxes) but before approval of the appraisal records and with a potential liability of a 10 percent penalty;
- allowing property transferred by gift or other manner to be exempted from the five-year roll-back provisions (the current statute only allows for transfer by sale to be exempted);
- allowing the addition of post-judgment interest regardless of whether a judgment for delinquency has been rendered;
- allowing a suit to collect delinquent taxes on an estate to be brought in any county with jurisdiction, rather than only the probate court;
- allowing electronic replicas of tax receipts to be used as evidence;
- allowing the taxing unit the option of receiving the current year's valuation or the previous year's valuation for judgments for taxes owed, as well as making a purchaser of the property liable for the current taxes if those are not included in the judgment;
- allowing a chief appraiser and the property owner to come to a settlement and file that settlement agreement;
- allowing the appraisal review board to issue a subpoena at least 5 days before a hearing;
- repealing a section that only permitted a property owner of property valued in excess of \$1 million only 15 days to appeal the appraisal;
- setting the interest rate for a refund at a standard 8 percent rather than a function of the federal treasury bill rate;
- restricting a former member of an appraisal review board from appearing before that review board on protests related to the appraisal roll created during that person's tenure; and
- other technical changes and conforming amendments.

The provisions relating to training and prohibiting service in counties of 50,000 or more would only apply to appraisal board members whose terms would begin on or after January 1, 1996.

NOTES:

The committee substitute made a number of changes to various sections of the bill including adding amendments to sections related to rights of redemption.