

## BILL ANALYSIS

Senate Research Center

H.B. 396  
By: Mowery (Williams)  
Intergovernmental Relations  
5/12/2003  
Engrossed

### DIGEST AND PURPOSE

Under current law, a taxpayer is required to appeal the decision of an appraisal review board to the district court. Appeals to a district court are often costly for the parties involved and these expenses may prevent those who cannot afford the costs from taking an appeal to court. Litigation costs are lower in small claims court, but taxpayers are not allowed to appeal a decision of the appraisal review board to such a court. H.B. 396 allows a taxpayer to appeal a decision of an appraisal review board to a small claims court if the amount of taxes in dispute is within the jurisdiction of the small claims court and sets forth procedures for the court's handling of the appeal.

### RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subsection 41.47(e), Tax Code, to provide that notice of the issuance of an order by an appraisal review board must contain a statement of the property owner's right to appeal the board's decision to small claims court. Makes conforming

SECTION 2. Amends the heading of Subchapter B, Chapter 42, Tax Code, to read as follows:

#### SUBCHAPTER B. JUDICIAL REVIEW.

SECTION 3. Amends Subsection 42.21(a), Tax Code, to make conforming changes.

SECTION 4. Amends Subchapter B, Chapter 42, Tax Code, by adding Sections 42.211 and 42.212 as follows:

Sec. 42.211. JURISDICTION. (a) Requires an appeal under this subchapter, except as provided by this section, to be made to a district court.

(b) Authorizes a property owner to appeal an order of an appraisal review board under Section 42.01(1) to a small claims court if the amount of taxes due on the portion of the taxable value of the property that is in dispute calculated using the preceding year's tax rates is an amount that is within the jurisdiction of that small claims court. Requires the small claims court to determine the appeal and enter final judgement within 60 days.

(c) Requires a small claims court to dismiss the appeal if the small claims court determines that the appeal is not within the court's jurisdiction. Authorizes the property owner, in that event, to appeal the order to district court by filing a petition for review with the district court not later than the 30th day after the date of the dismissal.

(d) Requires a property owner to pay an additional fee of \$200 upon filing of an appeal in small claims court. Requires the fee, if the appeal is dismissed for lack of jurisdiction under Subsection (c) above, to be refunded to the property owner.

Requires the appraisal district, if the property owner is the prevailing party in the appeal, to refund the fee to the property.

Sec. 42.212. REPRESENTATION IN SMALL CLAIMS COURT. Authorizes but does not require an appraisal district, in an appeal brought under Section 42.01(1) to a small claims court to be represented by legal counsel.

SECTION 5. Reenacts and amends Section 42.22, Tax Code, as amended by Chapters 667 and 1033, Acts of the 73rd Legislature, Regular Session, 1993 as follows:

(a) Provides that the venue of an action in small claims court is in any justice precinct in the county in which the appraisal review board that issued the order appealed is located.

(b) Makes a conforming change.

(d) Provides that venue of action brought under Section 42.01(1) in small claims court is in any justice precinct in the county in which the appraisal review board that issued the order appealed is located.

SECTION 6. Amends Subsection 42.23(a), Tax Code, to make conforming changes.

SECTION 7. Amends Section 42.24, Tax Code, to make conforming changes.

SECTION 8. Amends Sections 42.26(a) and (d), Tax Code, to make conforming changes.

SECTION 9. Amends Subchapter B, Chapter 42, Tax Code, by adding Section 42.27, as follows:

Sec. 42.27. SMALL CLAIMS COURT JUDGMENT NOT APPEALABLE. Prohibits the final judgment of a small claims court in an appeal to the small claims court brought under Section 42.01(1) from being appealed by any person.

SECTION 10. Amends Section 28.003, Government Code, by adding Subsection (a-1), to provide that the small claims court has jurisdiction over appeals brought under Section 42.01(1), Tax Code, if the amount of taxes in dispute does not exceed \$5,000.

SECTION 11. Amends Section 28.011, Government Code, to make conforming changes.

SECTION 12. (a) Effective date: September 1, 2003.

(b) Makes application of this Act prospective.