

## **BILL ANALYSIS**

Senate Research Center

S.B. 593  
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Finance  
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Enrolled

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

In litigation over property appraisals, the appraisal district is responsible for paying attorney's fees if the court reduces the property value by any amount. The amount of attorney's fees owed is based upon the difference between the value arrived at by the court and certified Appraisal Review Board value.

The committee substitute for S.B. 593 aims to foster the timely resolution of lawsuits relating to property appraisals by requiring both sides to engage in settlement conferences. The duration of lawsuits affects that amount of attorney fees expended by appraisal districts as well as the interest accrued on refunds.

For lawsuits that continue to court, the legislation establishes that the amount of attorney's fees paid by appraisal districts be based upon final the written settlement offer, which will likely lower the amount owed by the appraisal district. Property owners are not required to pay attorney's fees if a court finds in favor of the appraisal district.

S.B. 593 amends current law relating to pretrial settlement discussions during ad valorem tax appeals.

### **RULEMAKING AUTHORITY**

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

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Subchapter B, Chapter 42, Tax Code, by adding Section 42.227, as follows:

Sec. 42.227. PRETRIAL SETTLEMENT DISCUSSIONS. (a) Authorizes a property owner or appraisal district that is a party to an appeal under this chapter to request that the parties engage in settlement discussions, including through an informal settlement conference or a form of alternative dispute resolution. Requires that the request be in writing and delivered to the other party before the date of trial. Requires the court on motion of either party to enter orders necessary to implement this section, including an order:

(1) specifying the form that the settlement discussions must take; or

(2) changing a deadline to designate experts prescribed by Subsection (c).

(b) Requires each party or the party's attorney of record, on or before the 120th day after the date the written request is delivered under Subsection (a), to attend the settlement discussions and make a good faith effort to resolve the matter under appeal.

(c) Provides that, if the appraisal district is unable for any reason to attend the settlement discussions on or before the 120th day after the date the written request

is delivered under Subsection (a), the deadline to designate experts for the appeal is, notwithstanding a deadline prescribed by the Texas Rules of Civil Procedure:

(1) with regard to all experts testifying for a party seeking affirmative relief, 60 days before the date of trial; and

(2) with regard to all other experts, 30 days before the date of trial.

(d) Provides that, if a property owner is unable for any reason to attend the settlement discussions on or before the 120th day after the date the written request is delivered under Subsection (a), Section 42.23(d) (providing that each party to an appeal is considered a party seeking affirmative relief for the purpose of discovery regarding expert witnesses under the Texas Rules of Civil Procedure if, on or before the 120th day after the date the appeal is filed, the property owner takes certain actions) does not apply to the parties to the appeal.

(e) Prohibits an appraisal district from requesting or requiring a property owner to waive a right under this title as a condition of attending a settlement discussion.

SECTION 2. Provides that the changes in law made by this Act apply only to an appeal filed under Chapter 42 (Judicial Review), Tax Code, on or after the effective date of this Act. Makes application of this Act prospective.

SECTION 3. Effective date: upon passage or September 1, 2015.