

BILL ANALYSIS

Senate Research Center
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S.B. 1987
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Property Tax
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Tax Code establishes the right of property owners to protest the appraised value of their property before an appraisal review board. The Texas Legislature has prescribed specific requirements of a appraisal review boards (ARBs) in the Tax Code in order to ensure that taxpayers are provided with fair, unbiased hearings. These protections include rescheduling hearings at the taxpayer's request and providing evidence in advance in a overall effort to create a fair and transparent review process. Even with these protections, the taxpayers do not have the opportunity to participate in the board selection process.

S.B. 1987 amends the Tax Code to require the three members of an ARB to be elected to two-year terms by the voters of the county in which the district is established. To be eligible to serve, the individual must be a resident of the county in which the ARB is established and have lived in the county for two years prior.

S.B. 1987 is bracketed to Montgomery County.

As proposed, S.B. 1987 amends current law relating to the selection and administration of an appraisal review board in certain counties and authorizes a fee.

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 Section 6.411(c-1), Tax Code, as follows:

(c-1) Provides that this section does not apply to communications with a member of an appraisal review board by the chief appraiser or another employee or a member of the board of directors of an appraisal district or a property tax consultant or attorney representing a party to a proceeding before the appraisal review board:

(1)–(3) makes no changes to these subdivisions; or

(4) that are necessary and appropriate to enable the board of directors of the appraisal district, or the appraisal review board if elected under Section 6.44, rather than necessary and appropriate to enable the board of directors of the appraisal district, to determine whether to appoint, reappoint, or remove a person as a member or the chairman or secretary of the appraisal review board.

SECTION 2. Amends Section 6.413(a), Tax Code, to provide that an individual is ineligible to be elected or appointed to or serve on, rather than ineligible to be appointed to or to serve on, the appraisal review board established for an appraisal district if the individual or a business entity in which the individual has a substantial interest is a party to a contract with the appraisal district or with a taxing unit that participates in the appraisal district.

SECTION 3. Amends Section 6.414, Tax Code, by adding Subsection (h), as follows:

(h) Provides that this subsection applies only to an appraisal review board elected under Section 6.44. Authorizes the appraisal review board by resolution of a majority of the members, notwithstanding Subsections (a) (relating to authorizing the board of directors of an appraisal district by resolution of a majority of the members to provide for a number of auxiliary appraisal review board members that the board considers appropriate to hear taxpayer protests before the appraisal review board and to assist the board in performing its duties) and (b) (relating to providing that an auxiliary board member is appointed in the same manner and for the same term as an appraisal review board member and is subject to the same eligibility requirements and restrictions as a board member), to provide for a number of auxiliary appraisal review board members that the board considers appropriate to hear taxpayer protests before the appraisal review board and to assist the board in performing its duties. Requires the appraisal review board to prepare a list of names of potential auxiliary board members who meet the qualifications for appointment as an auxiliary board member and submit the list to the commissioners court of the county in which the appraisal district is established. Provides that an auxiliary board member is appointed by the commissioners court of the county in which the appraisal district is established from the list of potential members provided by the appraisal review board and is subject to the same eligibility requirements and restrictions as a board member under Sections 6.41 (Appraisal Review Board), 6.411 (Ex Parte Communications; Penalty), 6.412 (Restrictions on Eligibility of Board Members), and 6.413 (Interest in Certain Contracts Prohibited). Provides that an auxiliary board member is appointed for a two-year term. Provides that a vacancy among the auxiliary board members is filled in the same manner as the original appointment to the appraisal review board.

SECTION 4. Amends Subchapter C, Chapter 6, Tax Code, by adding Section 6.44, as follows:

Sec. 6.44. APPRAISAL REVIEW BOARD ELECTION AND PROCEDURES IN CERTAIN COUNTIES. (a) Provides that this section applies only to a county that has a population of more than 400,000 and is adjacent to a county with a population of more than 3.3 million and no other counties with a population of more than 300,000.

(b) Provides that an appraisal review board is established for an appraisal district in a county described by Subsection (a). Provides that Section 6.41 does not apply to an appraisal review board established under this section.

(c) Provides that the board consists of three members elected by the voters of the county at the general election for state and county officers. Provides that the members serve two-year terms beginning January 1 of odd-numbered years.

(d) Requires an individual, to be eligible to serve on the board, to be a resident of the county and to have resided in the county for at least two years before the date of the individual's election or appointment.

(e) Provides that a vacancy on the appraisal review board is filled by appointment by resolution of a majority of the appraisal district board of directors.

(f) Provides that, for purposes of Chapter 87, Local Government Code, grounds for removal of a member of an appraisal review board include:

(1) a violation of Section 6.412, 6.413, 41.66(f), or 41.69;

(2) good cause relating to the attendance of members at called meetings of the board as established by written policy adopted by a majority of the appraisal district board of directors;

(3) clear and convincing evidence of repeated bias or misconduct; or

(4) failure to complete a course required by Section 5.041 (Training of Appraisal Review Board Members).

(g) Provides that Section 6.412(e) (relating to providing that a person who has served for all or part of three consecutive terms as a board member on an appraisal review board is ineligible to serve on the board during a certain term following the third of those consecutive terms) does not apply to an appraisal review board member elected under this section.

(h) Requires the appraisal review board by resolution, notwithstanding Section 6.42(a) (relating to providing what constitutes a quorum and requiring the selection by resolution of a chairman and a secretary for the board), to select a chairman and a secretary from among the board's members. Provides that the board is encouraged to select as chairman a member of the board, if any, who has a background in law and property appraisal.

SECTION 5. Amends Subchapter C, Chapter 6, Tax Code, by adding Section 6.45, as follows:

Sec. 6.45. BALLOT PROCEDURES FOR APPRAISAL REVIEW BOARD MEMBER; FILING FEE. (a) Provides that this section applies only to an appraisal review board member required to be elected under Section 6.44.

(b) Provides that, except as provided by this section, Chapter 144 (Candidate for Office of Political Subdivision Other Than County or City), Election Code, applies to a candidate for the office of member of the appraisal review board of an appraisal district.

(c) Requires an application for a place on the ballot to be filed with the county judge of the county for which the appraisal district is established and to be accompanied by a filing fee of \$250.

(d) Authorizes a candidate's name to appear on the ballot only as an independent candidate.

(e) Requires a filing fee received under this section to be deposited in the county treasury to the credit of the county general fund.

SECTION 6. Amends Section 41.66(g), Tax Code, to require an appraisal review board elected under Section 6.44 to adopt and implement its own policy instead of the board of directors of the appraisal district as an exception to the requirement that the board of directors of a appraisal district to adopt and implement a policy concerning the temporary replacement of an appraisal review board member who has communicated with another person in violation of Subsection (f) (relating to prohibiting a member of the appraisal review board from communicating with another person concerning certain matters).

SECTION 7. (a) Requires appraisal review board members to be elected under Section 6.44, Tax Code, as added by this Act, beginning with the general election conducted in 2020. Provides that members then elected take office January 1, 2021.

(b) Provides that the change in the manner of selection of the appraisal review board members made by Section 6.44, Tax Code, as added by this Act, does not affect the selection of members who serve on the board before January 1, 2021.

(c) Provides that the term of an appraisal review board member in an appraisal district established for a county described by Section 6.44, Tax Code, as added by this Act, serving on December 31, 2020, expires on January 1, 2021.

(d) Authorizes auxiliary members to be appointed under Section 6.414(h), Tax Code, as added by this Act, by a commissioners court on or after January 1, 2021.

(e) Provides that the change in the manner of selection of auxiliary members made by Section 6.414(h), Tax Code, as added by this Act, does not affect the selection of auxiliary members who serve before January 1, 2021.

(f) Provides that the term of an auxiliary member in an appraisal district established for a county described by Section 6.44, Tax Code, as added by this Act, serving on December 31, 2020, expires on January 1, 2021.

SECTION 8. (a) Effective date, except as otherwise provided by this section: January 1, 2021.

(b) Effective date, this section and the sections of this Act adding Section 6.45, Tax Code, and providing for the initial election of appraisal board members under Section 6.44, Tax Code, as added by this Act: January 1, 2020.