

## **BILL ANALYSIS**

C.S.H.B. 3739  
By: Vo  
Ways & Means  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

According to interested parties, when an appraisal review board reviews property tax appraisals for commercial properties, there are many instances in which the individuals appointed to the board lack knowledge or experience regarding commercial properties. C.S.H.B. 3739 seeks to address this issue in certain counties such as Harris County.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

C.S.H.B. 3739 amends the Tax Code to require a local administrative district judge, in making appointments to the appraisal review board of an appraisal district established in a county with a population of 3.3 million or more, to make every reasonable effort to appoint enough individuals with the following qualifications so that each board or panel hearing a protest that involves commercial real property has at least one member who was, during the two-year period preceding the appointment, the owner of commercial real property, a licensed real estate broker or salesperson with commercial real estate experience, a state-licensed real estate appraiser with commercial real estate experience, or a registered property tax consultant with commercial real estate experience.

### **EFFECTIVE DATE**

September 1, 2015.

### **COMPARISON OF ORIGINAL AND SUBSTITUTE**

While C.S.H.B. 3739 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

#### **INTRODUCED**

SECTION 1. Section 6.41, Tax Code, is amended by adding Subsection (d-10) to read as follows:

#### **HOUSE COMMITTEE SUBSTITUTE**

SECTION 1. Section 6.41, Tax Code, is amended by adding Subsection (d-10) to read as follows:

84R 28860

15.128.589

Substitute Document Number: 84R 24744

(d-10) This subsection applies only to the board of an appraisal district established in a county with a population of 3.3 million or more. In making appointments to the board, the local administrative district judge shall ensure that an adequate number of individuals are appointed that meet the qualifications prescribed by Section 41.451(b) to ensure compliance with the requirement of that section.

SECTION 2. Subchapter C, Chapter 41, Tax Code, is amended by adding Section 41.451 to read as follows:

Sec. 41.451. COMMERCIAL REAL PROPERTY PROTESTS IN CERTAIN COUNTIES. (a) This section applies only to an appraisal district established in a county with a population of 3.3 million or more.

(b) An appraisal review board or panel of the board may not hear a protest under this chapter that involves commercial real property unless at least one member of the board or panel hearing the protest was, during the two-year period preceding the date the person was most recently appointed to the board;

(1) the owner of commercial real property;  
(2) a licensed real estate broker or salesperson under Chapter 1101, Occupations Code; or

(3) a state-licensed real estate appraiser under Chapter 1103, Occupations Code.

SECTION 3. Section 6.41(d-10), Tax Code, as added by this Act, applies only to the appointment of appraisal review board members to terms beginning on or after January 1, 2016.

SECTION 4. Section 41.451, Tax Code, as added by this Act, applies only to a protest filed under Chapter 41, Tax Code, on or after January 1, 2016. A protest filed under that chapter before that date is governed by the law in effect on the date the protest was filed, and the former law is continued in effect for that purpose.

(d-10) This subsection applies only to the board of an appraisal district established in a county with a population of 3.3 million or more. In making appointments to the board, the local administrative district judge shall make every reasonable effort to appoint enough individuals with the following qualifications so that each board or panel hearing a protest that involves commercial real property has at least one member who was during the two-year period preceding the appointment:

(1) the owner of commercial real property;  
(2) a licensed real estate broker or salesperson under Chapter 1101, Occupations Code, with commercial real estate experience;

(3) a state-licensed real estate appraiser under Chapter 1103, Occupations Code, with commercial real estate experience; or

(4) a property tax consultant registered under Chapter 1152, Occupations Code, with commercial real estate experience.

No equivalent provision.

No equivalent provision.

SECTION 5. This Act takes effect  
September 1, 2015.

SECTION 2. Same as introduced version.