

BILL ANALYSIS

C.S.H.B. 3168
By: Geren
Ways & Means
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Interested parties suggest that certain reform is needed to make the property tax system fairer and more efficient for property owners. C.S.H.B. 3168 seeks to provide that reform by revising the law as it relates to property taxation.

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. 3168 amends the Tax Code to require an appraisal review board to comply with all procedural requirements included in the Appraisal Review Board Manual prepared and issued by the comptroller of public accounts. The bill makes this requirement effective on passage, or, if the bill does not receive the necessary vote, September 1, 2017.

C.S.H.B. 3168 transfers responsibility for selecting a chairman and a secretary from among the members of an appraisal review board from the board of directors of the appraisal district to the local administrative district judge in the county in which the appraisal district is established. The bill establishes that the concurrence of a majority of the members of the appraisal review board or a panel of the board present at a meeting of the board or panel is sufficient for a recommendation, determination, decision, or other action by the board or panel and prohibits the concurrence of more than a majority of the members of the board or panel from being required.

C.S.H.B. 3168 authorizes an affected property owner to file a petition directly with the district court to compel an appraisal district, chief appraiser, or appraisal review board to comply with a procedural requirement that is imposed on the district, chief appraiser, or board under the Property Tax Code, a comptroller rule, or a rule of procedure established by an appraisal review board under statutory provisions relating to local review and that the property owner alleges has not been complied with by the district, chief appraiser, or board. The bill prohibits a property owner from filing a petition so authorized before the 10th day after the date the property owner provides certain written notice of the owner's intent to file the petition. The bill sets out requirements applicable to the notice and establishes that a suit brought under these provisions is for the limited purpose of determining whether the defendant failed to comply with the procedural requirement that is the subject of the suit and may not address the merits of a motion filed to correct an appraisal roll or a property tax protest filed under statutory provisions relating to the local review of such a protest. The bill establishes that neither party may conduct

discovery in a suit brought under these provisions.

C.S.H.B. 3168 authorizes a property owner to set the matter that is the subject of the suit for an evidentiary hearing in accordance with the notice requirements provided by a certain rule of the Texas Rules of Civil Procedure, but not until the petition initiating the suit has been served on the defendant. The bill requires the court at the end of such a hearing to determine the merits of the suit and, if the court determines that the defendant failed to comply with a procedural requirement imposed on the defendant, to order the defendant to comply with the procedural requirement and enter any order necessary to preserve rights protected by and impose duties required by the law. The bill authorizes the court in such circumstance to award court costs and reasonable attorney's fees to the property owner. The bill establishes such an order as final and prohibits its appeal.

C.S.H.B. 3168 changes the amount of the penalty for which a property owner is liable to each taxing unit if the application for a certain allocation application is approved by the chief appraiser from 10 percent of the difference between the amount of tax imposed by the taxing unit on the property without the allocation and the amount of tax imposed on the property with the allocation to 10 percent of the amount of tax imposed by the taxing unit on the property with the allocation. The bill establishes that a property owner is not liable for such a penalty if the chief appraiser who received the owner's allocation application determines that the owner exercised reasonable diligence in attempting to file the application before the applicable deadline or substantially complied with the applicable requirements. The bill makes these provisions and those related to the limited appeal of noncompliance with certain procedural requirements effective on passage, or, if the bill does not receive the necessary vote, September 1, 2017.

C.S.H.B. 3168 removes the separate deadline by which the chief appraiser is required to deliver certain notice of appraised value to property owners in connection with property other than a single family residence that qualifies for a residence homestead exemption, leaving the same deadline for all applicable property.

C.S.H.B. 3168 specifies that, with regard to the authorization for a property owner or the chief appraiser to file a motion with the appraisal review board to change the appraisal roll to correct an error that resulted in an incorrect appraised value for the owner's property, such an error includes an error regarding the unequal appraisal or excessive market value of a property. The bill removes a taxing unit's entitlement to challenge before the appraisal review board the level of appraisals of any category of property in the district or in any territory in the district exclusive of the appraised value of a single taxpayer's property. The bill makes these provisions effective on passage, or, if the bill does not receive the necessary vote, September 1, 2017.

C.S.H.B. 3168 removes the separate deadline by which a property owner initiating a protest must file certain notice of the protest if the property is a single family residence that qualifies for a residence homestead exemption, leaving the same deadline for such property as that for notice filed in connection with any other property.

C.S.H.B. 3168 replaces the requirement that an appraisal review board provide for hearings on protests in the evening with a requirement that such hearing be after 5 p.m. on a weekday and prohibits an appraisal review board from scheduling the first hearing on a protest held on a weekday evening to begin after 7 p.m. and from scheduling a hearing on a protest on a Sunday.

C.S.H.B. 3168 includes an appraisal review board order determining a motion to change an appraisal roll to correct an error that resulted in an incorrect appraisal value for an owner's property among the orders a property owner is entitled to appeal through binding arbitration provided that certain conditions are met. The bill changes the deadline by which a property owner must file the required materials and a deposit to appeal an appraisal review board order through binding arbitration from not later than the 45th day after the date the property owner receives notice of the order to not later than the 60th day after the date the property owner

receives notice of the order. The bill establishes that, for purposes of determining the appropriate amount of the arbitration deposit for an appeal involving two or more tracts of land that are contiguous to one another, a tract of land is considered to be contiguous with another tract of land if the tracts are divided only by a road, railroad tracks, river, or stream. The bill makes these provisions effective on passage, or, if the bill does not receive the necessary vote, January 1, 2018.

C.S.H.B. 3168 repeals provisions relating to auxiliary appraisal review board members and the provision entitling an owner of certain property who files a notice of protest after the applicable deadline but before the appraisal review board approves the appraisal records to a hearing and determination of the protest if the property owner files the notice before a certain date.

C.S.H.B. 3168 repeals the following provisions of the Tax Code:

- Section 6.414
- Section 41.44(b-1)

EFFECTIVE DATE

Except as otherwise provided, January 1, 2018.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 3168 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. Chapter 5, Tax Code, is amended by designating Sections 5.03, 5.04, 5.041, 5.042, 5.05, 5.06, 5.07, 5.08, 5.09, 5.091, 5.10, 5.102, 5.103, 5.12, 5.13, 5.14, and 5.16 as Subchapter A and adding a subchapter heading to read as follows:

SUBCHAPTER A. COMPTROLLER OF PUBLIC ACCOUNTS

SECTION 2. Section 5.041, Tax Code, is amended by amending Subsections (a), (d), and (e-1) and adding Subsection (i) to read as follows:

(a) The comptroller shall:

(1) in consultation with property owners, individuals engaged in the business of representing property owners in proceedings under this title, and chief appraisers, approve curricula and provide materials for use in training and educating members of an appraisal review board;

(2) supervise a comprehensive course for training and education of appraisal review board members and issue certificates indicating course completion;

HOUSE COMMITTEE SUBSTITUTE

No equivalent provision.

No equivalent provision.

(3) make all materials for use in training and educating members of an appraisal review board freely available online;

(4) establish and maintain a toll-free telephone number that appraisal review board members may call for answers to technical questions relating to the duties and responsibilities of appraisal review board members and property appraisal issues; and

(5) provide, as feasible, online technological assistance to improve the operations of appraisal review boards and appraisal districts.

(d) The written course material for the course required under Subsection (a) is the comptroller's Appraisal Review Board Manual [~~in use on the effective date of this section~~]. The manual shall be updated regularly. It may be revised on request, in writing, to the comptroller. The revision language must be approved on the unanimous agreement of a committee selected by the comptroller and representing, equally, property owners, individuals engaged in the business of representing property owners in proceedings under this title, [taxpayers] and chief appraisers. The person requesting the revision shall pay the costs of mediation if the comptroller determines that mediation is required.

(e-1) In addition to the course established under Subsection (a), the comptroller, in consultation with property owners, individuals engaged in the business of representing property owners in proceedings under this title, and chief appraisers, shall approve curricula and provide materials for use in a continuing education course for members of an appraisal review board. The curricula and materials must include information regarding:

(1) the cost, income, and market data comparison methods of appraising property;

(2) the appraisal of business personal property;

(3) the determination of capitalization rates for property appraisal purposes;

(4) the duties of an appraisal review board;

(5) the requirements regarding the independence of an appraisal review board from the board of directors and the chief appraiser and other employees of the appraisal district;

(6) the prohibitions against ex parte

communications applicable to appraisal review board members;

(7) the Uniform Standards of Professional Appraisal Practice;

(8) the duty of the appraisal district to substantiate the district's determination of the value of property;

(9) the requirements regarding the equal and uniform appraisal of property;

(10) the right of a property owner to protest the appraisal of the property as provided by Chapter 41; and

(11) a detailed explanation of each of the actions described by Sections 25.25, 41.41(a), 41.411, 41.412, 41.413, 41.42, and 41.43 so that members are fully aware of each of the grounds on which a property appraisal can be appealed.

(i) Notwithstanding Subsections (c) and (e-3), the comptroller shall ensure that a course required by this section includes at least one component in which property owners, individuals engaged in the business of representing property owners in proceedings under this title, and chief appraisers or other representatives of an appraisal district or appraisal review board are allowed to participate.

SECTION 3. Section 5.05, Tax Code, is amended.

SECTION 4. Chapter 5, Tax Code, is amended by adding Subchapter B to read as follows:

SUBCHAPTER B. OFFICE OF LOCAL PROPERTY TAX OMBUDSMAN

Sec. 5.051. DEFINITIONS. In this subchapter:

(1) "Complaint" means a complaint filed under Section 5.056.

(2) "Office" means the Office of Local Property Tax Ombudsman.

(3) "Ombudsman" means the local property tax ombudsman appointed under this subchapter.

Sec. 5.052. ESTABLISHMENT OF OFFICE. The Office of Local Property Tax Ombudsman is established in the office of the comptroller to resolve complaints involving alleged violations of procedural requirements imposed by law, by comptroller rule, or by the rules of procedure established by an appraisal review board regarding the activities of an

SECTION 1. Same as introduced version.

No equivalent provision.

appraisal district, appraisal review board, chief appraiser, or appraisal review board member under this title.

Sec. 5.053. SUNSET PROVISION. The office is subject to Chapter 325, Government Code (Texas Sunset Act). Unless continued in existence as provided by that chapter, the office is abolished and this subchapter expires on September 1, 2021.

Sec. 5.054. LOCAL PROPERTY TAX OMBUDSMAN. (a) The office is headed by the local property tax ombudsman.

(b) The ombudsman is appointed by the comptroller with the advice of the governor, lieutenant governor, and speaker of the house of representatives.

(c) Appointment of the ombudsman shall be made without regard to the race, color, disability, sex, religion, age, or national origin of the appointee.

(d) The ombudsman serves a two-year term beginning on February 1 of each even-numbered year.

(e) To be eligible for appointment as the ombudsman, an individual must:

- (1) be licensed to practice law in this state;
- (2) have demonstrated a strong commitment to and involvement in efforts to safeguard the rights of the public; and
- (3) possess the knowledge and experience necessary to practice effectively in property tax proceedings.

(f) An individual is not eligible for appointment as the ombudsman if the individual or the individual's spouse:

- (1) is employed by or participates in the management of a business entity or other organization the employees of which are regulated by the comptroller;
- (2) is employed by an appraisal district or taxing unit; or
- (3) has during the preceding five-year period been a member or employee of a law firm that rendered legal services to an appraisal district, appraisal review board, or taxing unit.

Sec. 5.055. STAFF AND OFFICES. (a) The comptroller shall provide the ombudsman with sufficient funds to employ the professional and administrative staff necessary for the efficient operation of the office.

(b) The comptroller shall provide the ombudsman with sufficient office space,

equipment, and supplies necessary for the efficient operation of the office.

Sec. 5.056. FILING OF COMPLAINT. (a) A property owner may file a written complaint with the office alleging that an appraisal district, appraisal review board, chief appraiser, or appraisal review board member has failed to comply with a procedural requirement imposed by law, by comptroller rule, or by the rules of procedure established by an appraisal review board regarding the activities of an appraisal district, appraisal review board, chief appraiser, or appraisal review board member under this title.

(b) A complaint filed under this section may allege the violation of any procedural requirement described by Subsection (a), including a complaint involving:

- (1) the application of hearing procedures;
- (2) the provision of a required notice;
- (3) the scheduling of a hearing;
- (4) the postponement of a hearing;
- (5) the evidence presented at a hearing;
- (6) the issuance of a subpoena;
- (7) conflicts of interest;
- (8) the selection of appraisal review board members;
- (9) the assignment of protests to a panel of an appraisal review board;
- (10) the occurrence of an ex parte communication; and
- (11) any other matter affecting a procedural matter or right under this title.

(c) A complaint may not address a substantive issue or the merits of a motion filed under Section 25.25 or a protest filed under Chapter 41.

(d) The filing of a complaint or assertion that a complaint will be filed is not a ground to postpone a hearing before an appraisal review board.

Sec. 5.057. NOTICE OF COMPLAINT. (a) Not later than the 15th day after the date a complaint is filed, the office must notify the chief appraiser of the appraisal district from which the complaint was filed.

(b) The notice must be in writing, include a copy of the complaint, and be sent by certified mail, return receipt requested.

Sec. 5.058. RESOLUTION OF COMPLAINT. (a) The ombudsman may resolve a complaint through an alternative dispute resolution process agreed to by the parties, including through mediation or

binding arbitration.

(b) The office may investigate a complaint and gather information and documents necessary to resolve a complaint.

(c) The office shall encourage the parties to a complaint to agree to a resolution of the complaint.

(d) The office may resolve a complaint without a hearing.

Sec. 5.059. OMBUDSMAN RULING. (a) The ombudsman shall issue a ruling resolving a complaint.

(b) A ruling by the ombudsman must be in writing and may provide for any appropriate remedy, including:

(1) dismissal of the complaint; and

(2) a public reprimand of an appraisal district, appraisal review board, chief appraiser, appraisal review board member, or other person.

(c) Not later than the third day after the date the ombudsman issues the ruling under this section, the ombudsman shall send notice of the ruling and a copy of the ruling to each party to the complaint by certified mail, return receipt requested.

Sec. 5.060. APPEAL. (a) Except as provided by Subsection (b), a party to a complaint resolved by the ombudsman under this subchapter may appeal the ruling of the ombudsman to district court.

(b) A party to a complaint resolved under this subchapter through binding arbitration may not appeal the ruling.

(c) The appeal must be filed not later than the 60th day after the date the ombudsman sends notice of the ruling to the parties to the complaint under Section 5.059.

(d) Review by district court shall be de novo.

Sec. 5.061. COMPTROLLER RULES. The comptroller shall adopt rules necessary to implement this subchapter, including rules requiring and establishing filing and administrative fees necessary to defray the costs to administer this subchapter.

SECTION 5. Section 6.41, Tax Code, is amended by amending Subsections (b), (d-1), and (d-9) and adding Subsections (b-1), (b-2), and (d-10) to read as follows:

(b) Except as provided by Subsection (b-1) or (b-2), an appraisal review [The] board consists of three members.

(b-1) An appraisal [However, the] district

No equivalent provision.

board of directors by resolution of a majority of the board's [~~its~~] members may increase the size of the district's appraisal review board to the number of members the board of directors considers appropriate.

(b-2) An appraisal district board of directors for a district established in a county described by Subsection (d-1) by resolution of a majority of the board's members shall increase the size of the district's appraisal review board to the number of members the board of directors considers appropriate to manage the duties of the appraisal review board, including the duties of each special panel established under Section 6.425.

(d-1) In a county with a population of 75,000 [~~120,000~~] or more the members of the board are appointed by the local administrative district judge under Subchapter D, Chapter 74, Government Code, in the county in which the appraisal district is established. All applications submitted to the appraisal district or to the appraisal review board from persons seeking appointment as a member of the appraisal review board shall be delivered to the local administrative district judge. The appraisal district may provide the local administrative district judge with information regarding whether an applicant for appointment to or a member of the board owes any delinquent ad valorem taxes to a taxing unit participating in the appraisal district.

(d-9) In selecting individuals who are to serve as members of the appraisal review board, the local administrative district judge shall select an adequate number of qualified individuals to permit the chairman of the appraisal review board to fill the positions on each special panel established under Section 6.425.

(d-10) Upon selection of the individuals who are to serve as members of the appraisal review board, the local administrative district judge shall enter an appropriate order designating such members and setting each member's respective term of office, as provided elsewhere in this section.

SECTION 6. Section 6.412(d), Tax Code, is amended to read as follows:

(d) A person is ineligible to serve on the appraisal review board of an appraisal district established for a county with

No equivalent provision.

[having] a population of 120,000 or more [~~than 100,000~~] if the person:

(1) is a former member of the board of directors, former officer, or former employee of the appraisal district;

(2) served as a member of the governing body or officer of a taxing unit for which the appraisal district appraises property, until the fourth anniversary of the date the person ceased to be a member or officer; [~~or~~]

(3) appeared before the appraisal review board for compensation during the two-year period preceding the date the person is appointed; or

(4) served for all or part of three previous terms as a board member or auxiliary board member under former Section 6.414 on the appraisal review board.

SECTION 7. Section 6.42, Tax Code, is amended by amending Subsections (a) and (c) and adding Subsection (d) to read as follows:

(a) A majority of the appraisal review board constitutes a quorum. The appraisal review board [~~of directors of the appraisal district~~] by resolution shall select a chairman and a secretary from among its [~~the~~] members [~~of the appraisal review board~~]. The appraisal review board [~~of directors of the appraisal district~~] is encouraged to select as chairman [~~of the appraisal review board~~] a member of the appraisal review board, if any, who has a background in law and property appraisal.

(c) Members of the board are entitled to per diem in the amount determined [~~set~~] by the comptroller [~~appraisal district budget~~] for each day the board meets and to reimbursement for actual and necessary expenses incurred in the performance of board functions [~~as provided by the district budget~~]. The comptroller may provide that a member of a panel established under Section 6.425 is entitled to a per diem in an amount greater than the amount of the standard per diem determined by the comptroller. The comptroller shall periodically pay to each member the amount to which the member is entitled under this subsection. The comptroller shall make the payment from funds provided by the appraisal district for which the member's appraisal review board

SECTION 2. Section 6.42, Tax Code, is amended by amending Subsection (a) and adding Subsection (d) to read as follows:

(a) A majority of the appraisal review board constitutes a quorum. The local administrative district judge under Subchapter D, Chapter 74, Government Code, in the county in which [~~board of directors of~~] the appraisal district is established [~~by resolution~~] shall select a chairman and a secretary from among the members of the appraisal review board. The judge [~~board of directors of the appraisal district~~] is encouraged to select as chairman [~~of the appraisal review board~~] a member of the appraisal review board, if any, who has a background in law and property appraisal.

is established. The comptroller shall establish separate bank accounts outside the state treasury for the purposes of this subsection. The comptroller shall assess the costs required to make payments under this subsection to each appraisal district at least quarterly. The comptroller shall adopt rules necessary to implement this subsection.

(d) The concurrence of a majority of the members of the appraisal review board or a panel of the board present at a meeting of the board or panel is sufficient for a recommendation, determination, decision, or other action by the board or panel, and the concurrence of more than a majority of the members of the board or panel may not be required.

SECTION 8. Subchapter C, Chapter 6, Tax Code, is amended by adding Section 6.425 to read as follows:

Sec. 6.425. SPECIAL APPRAISAL REVIEW BOARD PANELS IN CERTAIN DISTRICTS. (a) This section applies only to the appraisal review board of an appraisal district established for a county with a population of 120,000 or more.

(b) The appraisal review board shall establish a separate special panel for each of the following classifications of property to conduct protest hearings under Chapter 41 relating to property included in that classification:

(1) real property interests in oil, gas, or other minerals;

(2) commercial real and personal property with an appraised value of \$50 million or more;

(3) real and personal property of utilities;

(4) industrial and manufacturing real and personal property; and

(5) multifamily residential real property.

(c) The chairman of the appraisal review board may establish additional special panels described by this section to conduct protest hearings relating to property included in a classification described by Subsection (b) if the chairman determines that additional panels are necessary.

(d) Each special panel described by this section consists of three members of the appraisal review board appointed by the chairman of the board.

(e) To be eligible to be appointed to a special panel described by this section, a

(d) The concurrence of a majority of the members of the appraisal review board or a panel of the board present at a meeting of the board or panel is sufficient for a recommendation, determination, decision, or other action by the board or panel, and the concurrence of more than a majority of the members of the board or panel may not be required.

No equivalent provision.

member of the appraisal review board must:
(1) hold a juris doctor or equivalent degree;
(2) hold a master of business administration degree;
(3) be licensed as a certified public accountant under Chapter 901, Occupations Code;
(4) be accredited by the American Society of Appraisers as an accredited senior appraiser;
(5) possess an MAI professional designation from the Appraisal Institute;
(6) possess a Certified Assessment Evaluator (CAE) professional designation from the International Association of Assessing Officers; or
(7) have at least 20 years of experience in property tax appraisal or consulting.
(f) Notwithstanding Subsection (e), the chairman of the appraisal review board may appoint to a special panel described by this section a member of the appraisal review board who does not meet the qualifications prescribed by that subsection if:
(1) the number of persons appointed to the board by the local administrative district judge who meet those qualifications is not sufficient to fill the positions on each special panel; and
(2) the board member being appointed to the panel:
(A) holds a bachelor's degree in any field; or
(B) is licensed as a real estate broker or sales agent under Chapter 1101, Occupations Code.

No equivalent provision.

SECTION 3. Chapter 6, Tax Code, is amended by adding Subchapter D to read as follows:

SUBCHAPTER D. LIMITED APPEAL OF NONCOMPLIANCE WITH PROCEDURAL REQUIREMENT

Sec. 6.61. LIMITED APPEAL. (a) Notwithstanding any other law or the Texas Rules of Civil Procedure, an affected property owner may file a petition directly with the district court to compel an appraisal district, chief appraiser, or appraisal review board to comply with a procedural requirement that:

(1) is imposed on the district, chief appraiser, or board under this title, a comptroller rule, or a rule of procedure established by an appraisal review board under Chapter 41; and

(2) the property owner alleges has not been complied with by the district, chief appraiser, or board.

(b) A property owner may not file a petition authorized by this section before the 10th day after the date the property owner provides written notice as provided by this subsection of the owner's intent to file the petition. The notice must state whether the appraisal district, chief appraiser, or appraisal review board failed to comply with a procedural requirement described by Subsection (a) and must identify the procedural requirement. The notice must be sent by certified mail, return receipt requested, to:

(1) the chief appraiser of the appraisal district if the owner alleges that the chief appraiser or appraisal district failed to comply with the requirement;

(2) except as provided by Subdivision (3), the chair of the appraisal review board if the owner alleges that the board failed to comply with the requirement; or

(3) the local administrative district judge if the judge appoints the members of the appraisal review board and the owner alleges that the board failed to comply with the requirement.

(c) A suit brought under this section is for the limited purpose of determining whether the defendant failed to comply with the procedural requirement that is the subject of the suit. The suit may not address the merits of a motion filed under Section 25.25 or a protest filed under Chapter 41.

(d) Neither party may conduct discovery in a suit brought under this section.

(e) A property owner may set the matter that is the subject of the suit for an evidentiary hearing in accordance with the notice requirements provided by Rule 21, Texas Rules of Civil Procedure. A property owner may not set the matter for a hearing under this subsection until the petition initiating the suit has been served on the defendant.

(f) At the end of a hearing under Subsection (e), the court must determine the merits of the suit. If the court determines that the defendant failed to comply with a procedural requirement imposed on the defendant, the court:

(1) shall order the defendant to comply with the procedural requirement;

(2) shall enter any order necessary to

No equivalent provision.

SECTION 9. Section 25.19, Tax Code, is amended by amending Subsections (a) and (g) and adding Subsection (b-3) to read as follows:

(a) By April 1 or as soon thereafter as practicable [~~if the property is a single-family residence that qualifies for an exemption under Section 11.13, or by May 1 or as soon thereafter as practicable in connection with any other property~~], the chief appraiser shall deliver a clear and understandable written notice to a property owner of the appraised value of the property owner's property if:

- (1) the appraised value of the property is greater than it was in the preceding year;
- (2) the appraised value of the property is greater than the value rendered by the property owner;
- (3) the property was not on the appraisal roll in the preceding year; or
- (4) an exemption or partial exemption approved for the property for the preceding year was canceled or reduced for the current year.

(b-3) This subsection applies only to an appraisal district established for a county with a population of 120,000 or more. In

preserve rights protected by, and impose duties required by, the law; and
(3) may award court costs and reasonable attorney's fees to the property owner.
(g) An order entered under Subsection (f) is final and may not be appealed.

SECTION 4. Section 21.10(b), Tax Code, is amended to read as follows:

(b) Except as otherwise provided by this subsection, if [H] the application is approved, the property owner is liable to each taxing unit for a penalty in an amount equal to 10 percent of the [difference between the] amount of tax imposed by the taxing unit on the property [without the allocation and the amount of tax imposed on the property] with the allocation. A property owner is not liable for the penalty prescribed by this subsection if the chief appraiser who received the owner's allocation application determines that the owner:

- (1) exercised reasonable diligence in attempting to file the application before the deadline imposed by Section 21.09; or
- (2) substantially complied with the requirements of that section.

SECTION 5. Sections 25.19(a) and (g), Tax Code, are amended to read as follows:

(a) By April 1 or as soon thereafter as practicable [~~if the property is a single-family residence that qualifies for an exemption under Section 11.13, or by May 1 or as soon thereafter as practicable in connection with any other property~~], the chief appraiser shall deliver a clear and understandable written notice to a property owner of the appraised value of the property owner's property if:

- (1) the appraised value of the property is greater than it was in the preceding year;
- (2) the appraised value of the property is greater than the value rendered by the property owner;
- (3) the property was not on the appraisal roll in the preceding year; or
- (4) an exemption or partial exemption approved for the property for the preceding year was canceled or reduced for the current year.

addition to the information required by Subsection (b), the chief appraiser shall state in a notice of appraised value of property included in a classification described by Section 6.425(b) that the property owner has the right to have a protest relating to the property heard by a special panel of the appraisal review board.

(g) By April 1 or as soon thereafter as practicable [~~if the property is a single-family residence that qualifies for an exemption under Section 11.13, or by May 1 or as soon thereafter as practicable in connection with any other property~~], the chief appraiser shall deliver a written notice to the owner of each property not included in a notice required to be delivered under Subsection (a), if the property was reappraised in the current tax year, if the ownership of the property changed during the preceding year, or if the property owner or the agent of a property owner authorized under Section 1.111 makes a written request for the notice. The chief appraiser shall separate real from personal property and include in the notice for each property:

- (1) the appraised value of the property in the preceding year;
- (2) the appraised value of the property for the current year and the kind of each partial exemption, if any, approved for the current year;
- (3) a detailed explanation of the time and procedure for protesting the value; and
- (4) the date and place the appraisal review board will begin hearing protests.

SECTION 10. Section 25.25(d), Tax Code, is amended.

SECTION 11. Section 41.03(a), Tax Code, is amended.

SECTION 12. Section 41.11(a), Tax Code, is amended.

SECTION 13. Sections 41.44(a), (c), and (d), Tax Code, are amended to read as follows:

(a) Except as provided by Subsections (b), [~~(b-1)~~], (c), (c-1), and (c-2), to be entitled to a hearing and determination of a protest, the property owner initiating the protest must file a written notice of the protest with the appraisal review board having authority to

(g) By April 1 or as soon thereafter as practicable [~~if the property is a single-family residence that qualifies for an exemption under Section 11.13, or by May 1 or as soon thereafter as practicable in connection with any other property~~], the chief appraiser shall deliver a written notice to the owner of each property not included in a notice required to be delivered under Subsection (a), if the property was reappraised in the current tax year, if the ownership of the property changed during the preceding year, or if the property owner or the agent of a property owner authorized under Section 1.111 makes a written request for the notice. The chief appraiser shall separate real from personal property and include in the notice for each property:

- (1) the appraised value of the property in the preceding year;
- (2) the appraised value of the property for the current year and the kind of each partial exemption, if any, approved for the current year;
- (3) a detailed explanation of the time and procedure for protesting the value; and
- (4) the date and place the appraisal review board will begin hearing protests.

SECTION 6. Same as introduced version.

SECTION 7. Same as introduced version.

SECTION 8. Same as introduced version.

SECTION 9. Sections 41.44(a) and (c), Tax Code, are amended to read as follows:

(a) Except as provided by Subsections (b), [~~(b-1)~~], (c), (c-1), and (c-2), to be entitled to a hearing and determination of a protest, the property owner initiating the protest must file a written notice of the protest with the appraisal review board having authority to

hear the matter protested:

(1) before June ~~[May]~~ 1 or not later than the 30th day after the date that notice to the property owner was delivered to the property owner as provided by Section 25.19, ~~[if the property is a single-family residence that qualifies for an exemption under Section 11.13,]~~ whichever is later;

(2) ~~[before June 1 or not later than the 30th day after the date that notice was delivered to the property owner as provided by Section 25.19 in connection with any other property, whichever is later;~~

~~[(3)]~~ in the case of a protest of a change in the appraisal records ordered as provided by Subchapter A of this chapter or by Chapter 25, not later than the 30th day after the date notice of the change is delivered to the property owner;

~~(3)~~ ~~[(4)]~~ in the case of a determination that a change in the use of land appraised under Subchapter C, D, E, or H, Chapter 23, has occurred, not later than the 30th day after the date the notice of the determination is delivered to the property owner; or

~~(4)~~ ~~[(5)]~~ in the case of a determination of eligibility for a refund under Section 23.1243, not later than the 30th day after the date the notice of the determination is delivered to the property owner.

(c) A property owner who files notice of a protest authorized by Section 41.411 is entitled to a hearing and determination of the protest if the property owner files the notice prior to the date the taxes on the property to which the notice applies become delinquent. An owner of land who files a notice of protest under Subsection (a)(3) ~~[(a)(4)]~~ is entitled to a hearing and determination of the protest without regard to whether the appraisal records are approved.

(d) A notice of protest is sufficient if it identifies the protesting property owner, including a person claiming an ownership interest in the property even if that person is not listed on the appraisal records as an owner of the property, identifies the property that is the subject of the protest, and indicates apparent dissatisfaction with some determination of the appraisal office. The notice need not be on an official form, but the comptroller shall prescribe a form that provides for more detail about the nature of the protest. The form must permit

hear the matter protested:

(1) before June ~~[May]~~ 1 or not later than the 30th day after the date that notice to the property owner was delivered to the property owner as provided by Section 25.19, ~~[if the property is a single-family residence that qualifies for an exemption under Section 11.13,]~~ whichever is later;

(2) ~~[before June 1 or not later than the 30th day after the date that notice was delivered to the property owner as provided by Section 25.19 in connection with any other property, whichever is later;~~

~~[(3)]~~ in the case of a protest of a change in the appraisal records ordered as provided by Subchapter A of this chapter or by Chapter 25, not later than the 30th day after the date notice of the change is delivered to the property owner;

~~(3)~~ ~~[(4)]~~ in the case of a determination that a change in the use of land appraised under Subchapter C, D, E, or H, Chapter 23, has occurred, not later than the 30th day after the date the notice of the determination is delivered to the property owner; or

~~(4)~~ ~~[(5)]~~ in the case of a determination of eligibility for a refund under Section 23.1243, not later than the 30th day after the date the notice of the determination is delivered to the property owner.

(c) A property owner who files notice of a protest authorized by Section 41.411 is entitled to a hearing and determination of the protest if the property owner files the notice prior to the date the taxes on the property to which the notice applies become delinquent. An owner of land who files a notice of protest under Subsection (a)(3) ~~[(a)(4)]~~ is entitled to a hearing and determination of the protest without regard to whether the appraisal records are approved.

a property owner to include each property in the appraisal district that is the subject of a protest. The form must permit a property owner to request that the protest be heard by a special panel established under Section 6.425 if the protest will be determined by an appraisal review board to which that section applies and the property is included in a classification described by that section. The comptroller, each appraisal office, and each appraisal review board shall make the forms readily available and deliver one to a property owner on request.

SECTION 14. Section 41.45, Tax Code, is amended by amending Subsection (d) and adding Subsections (d-1), (d-2), and (d-3) to read as follows:

(d) This subsection does not apply to a special panel established under Section 6.425. An appraisal review board consisting of more than three members may sit in panels of not fewer than three members to conduct protest hearings. ~~[However, the determination of a protest heard by a panel must be made by the board.]~~ If the recommendation of a panel is not accepted by the board, the board may refer the matter for rehearing to a panel composed of members who did not hear the original hearing or, if there are not at least three members who did not hear the original protest, the board may determine the protest. ~~[Before determining a protest or conducting a rehearing before a new panel or the board, the board shall deliver notice of the hearing or meeting to determine the protest in accordance with the provisions of this subchapter.]~~

(d-1) An appraisal review board to which Section 6.425 applies shall sit in special panels established under that section to conduct protest hearings. A special panel may conduct a protest hearing relating to property only if the property is included in the classification for which the panel was established and the property owner has requested that the panel conduct the hearing. The board may rehear a protest heard by a special panel if the board elects not to accept the recommendation of the panel.

(d-2) The determination of a protest heard by a panel under Subsection (d) or (d-1) must be made by the board.

(d-3) The board must deliver notice of a

No equivalent provision.

hearing or meeting to determine a protest heard by a panel, or to rehear a protest, under Subsection (d) or (d-1) in accordance with the provisions of this subchapter.

SECTION 15. Section 41.66, Tax Code, is amended by amending Subsection (k) and adding Subsection (k-1) to read as follows:

(k) This subsection does not apply to a special panel established under Section 6.425. If an appraisal review board sits in panels to conduct protest hearings, protests shall be randomly assigned to panels, except that the board may consider the type of property subject to the protest or the ground of the protest for the purpose of using the expertise of a particular panel in hearing protests regarding particular types of property or based on particular grounds. If a protest is scheduled to be heard by a particular panel, the protest may not be reassigned to another panel without the consent of the property owner or designated agent. If the appraisal review board has cause to reassign a protest to another panel, a property owner or designated agent may agree to reassignment of the protest or may request that the hearing on the protest be postponed. The board shall postpone the hearing on that request. A change of members of a panel because of a conflict of interest, illness, or inability to continue participating in hearings for the remainder of the day does not constitute reassignment of a protest to another panel.

(k-1) On the request of a property owner, an appraisal review board to which Section 6.425 applies shall assign a protest relating to property included in a classification described by that section to the special panel established to conduct protest hearings relating to property included in that classification. If the board has established more than one special panel to conduct protest hearings relating to property included in a particular classification, protests relating to property included in that classification shall be randomly assigned to those special panels. If a protest is scheduled to be heard by a particular special panel, the protest may not be reassigned to another special panel without the consent of the property owner or designated agent. If the board has cause to reassign a protest to another special panel, a property owner or

No equivalent provision.

designated agent may agree to reassignment of the protest or may request that the hearing on the protest be postponed. The board shall postpone the hearing on that request. A change of members of a special panel because of a conflict of interest, illness, or inability to continue participating in hearings for the remainder of the day does not constitute reassignment of a protest to another special panel.

SECTION 16. Section 41.71, Tax Code, is amended.

SECTION 17. Section 41A.01, Tax Code, is amended to read as follows:

Sec. 41A.01. RIGHT OF APPEAL BY PROPERTY OWNER. As an alternative to filing an appeal under Section 42.01, a property owner is entitled to appeal through binding arbitration under this chapter an appraisal review board order determining a protest filed under Section 41.41(a)(1) or (2), or a motion filed under Section 25.25, concerning the appraised or market value of property if:

- (1) the property qualifies as the owner's residence homestead under Section 11.13; or
- (2) the appraised or market value, as applicable, of the property as determined by the order is \$5 [~~\$3~~] million or less.

SECTION 18. Sections 41A.03(a) and (a-1), Tax Code, are amended to read as follows:

(a) To appeal an appraisal review board order under this chapter, a property owner must file with the appraisal district not later than the 60th [~~45th~~] day after the date the property owner receives notice of the order:

- (1) a completed request for binding arbitration under this chapter in the form prescribed by Section 41A.04; and
- (2) an arbitration deposit made payable to the comptroller in the amount of:
 - (A) \$450, if the property qualifies as the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is \$500,000 or less, as determined by the order;
 - (B) \$500, if the property qualifies as the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is more than \$500,000, as determined by the order;
 - (C) \$500, if the property does not qualify as

SECTION 10. Same as introduced version.

SECTION 11. Section 41A.01, Tax Code, is amended to read as follows:

Sec. 41A.01. RIGHT OF APPEAL BY PROPERTY OWNER. As an alternative to filing an appeal under Section 42.01, a property owner is entitled to appeal through binding arbitration under this chapter an appraisal review board order determining a protest filed under Section 41.41(a)(1) or (2), or a motion filed under Section 25.25(d), concerning the appraised or market value of property if:

- (1) the property qualifies as the owner's residence homestead under Section 11.13; or
- (2) the appraised or market value, as applicable, of the property as determined by the order is \$3 million or less.

SECTION 12. Sections 41A.03(a) and (a-1), Tax Code, are amended to read as follows:

(a) To appeal an appraisal review board order under this chapter, a property owner must file with the appraisal district not later than the 60th [~~45th~~] day after the date the property owner receives notice of the order:

- (1) a completed request for binding arbitration under this chapter in the form prescribed by Section 41A.04; and
- (2) an arbitration deposit made payable to the comptroller in the amount of:
 - (A) \$450, if the property qualifies as the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is \$500,000 or less, as determined by the order;
 - (B) \$500, if the property qualifies as the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is more than \$500,000, as determined by the order;
 - (C) \$500, if the property does not qualify as

the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is \$1 million or less, as determined by the order;

(D) \$800, if the property does not qualify as the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is more than \$1 million but not more than \$2 million, as determined by the order; [ø]

(E) \$1,050, if the property does not qualify as the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is more than \$2 million but not more than \$3 million, as determined by the order; or

(F) \$1,250, if the property does not qualify as the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is more than \$3 million but not more than \$5 million, as determined by the order.

(a-1) If a property owner requests binding arbitration under this chapter to appeal appraisal review board orders involving two or more tracts of land that are contiguous to one another, a single arbitration deposit in the amount provided by Subsection (a)(2) is sufficient to satisfy the requirement of Subsection (a)(2). For purposes of this subsection, a tract of land is considered to be contiguous with another tract of land if the tracts are divided only by a road, railroad track, river, or stream.

SECTION 19. Section 41A.06(b), Tax Code, is amended to read as follows:

(b) To initially qualify to serve as an arbitrator under this chapter, a person must:

(1) meet the following requirements, as applicable:

(A) be licensed as an attorney in this state; or

(B) have:

(i) completed at least 30 hours of training in arbitration and alternative dispute resolution procedures from a university, college, or legal or real estate trade association; and

(ii) been licensed or certified continuously during the five years preceding the date the person agrees to serve as an arbitrator as:

(a) a real estate broker or sales agent [~~salesperson~~] under Chapter 1101, Occupations Code;

(b) a real estate appraiser under Chapter

the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is \$1 million or less, as determined by the order;

(D) \$800, if the property does not qualify as the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is more than \$1 million but not more than \$2 million, as determined by the order; or

(E) \$1,050, if the property does not qualify as the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is more than \$2 million but not more than \$3 million, as determined by the order.

(a-1) If a property owner requests binding arbitration under this chapter to appeal appraisal review board orders involving two or more tracts of land that are contiguous to one another, a single arbitration deposit in the amount provided by Subsection (a)(2) is sufficient to satisfy the requirement of Subsection (a)(2). For purposes of this subsection, a tract of land is considered to be contiguous with another tract of land if the tracts are divided only by a road, railroad track, river, or stream.

No equivalent provision.

1103, Occupations Code; or
(c) a certified public accountant under Chapter 901, Occupations Code; and
(2) agree to conduct an arbitration for a fee that is not more than:
(A) \$400, if the property qualifies as the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is \$500,000 or less, as determined by the order;
(B) \$450, if the property qualifies as the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is more than \$500,000, as determined by the order;
(C) \$450, if the property does not qualify as the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is \$1 million or less, as determined by the order;
(D) \$750, if the property does not qualify as the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is more than \$1 million but not more than \$2 million, as determined by the order; ~~or~~
(E) \$1,000, if the property does not qualify as the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is more than \$2 million but not more than \$3 million, as determined by the order; or
(F) \$1,200, if the property does not qualify as the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is more than \$3 million but not more than \$5 million, as determined by the order.

SECTION 20. Section 42.01(a), Tax Code, is amended to read as follows:

(a) A property owner is entitled to appeal:
(1) an order of the appraisal review board determining:
(A) a protest by the property owner as provided by Subchapter C, ~~or~~ Chapter 41;
(B) a ~~determination of an appraisal review board on a~~ motion filed under Section 25.25;
(C) ~~a determination of an appraisal review board~~ that the property owner has forfeited the right to a final determination of a motion filed under Section 25.25 or of a protest under Section 41.411 for failing to comply with the prepayment requirements of

No equivalent provision.

Section 25.26 or 41.4115, as applicable; or
(D) ~~[a determination of an appraisal review board of]~~ eligibility for a refund requested under Section 23.1243; ~~[or]~~

(2) a determination of the appraisal review board of a procedural issue involving a motion filed under Section 25.25 or a protest filed under Chapter 41; or

(3) ~~(2)~~ an order of the comptroller issued as provided by Subchapter B, Chapter 24, apportioning among the counties the appraised value of railroad rolling stock owned by the property owner.

SECTION 21. Section 42.21(b), Tax Code, is amended to read as follows:

(b) A petition for review brought under Section 42.02 must be brought against the owner of the property involved in the appeal. A petition for review brought under Section 42.031 must be brought against the appraisal district and against the owner of the property involved in the appeal. A petition for review brought under Section 42.01(a)(2) must be brought against the appraisal review board. A petition for review brought under Section 42.01(a)(3) ~~[42.01(a)(2)]~~ or 42.03 must be brought against the comptroller. Any other petition for review under this chapter must be brought against the appraisal district. Except as otherwise provided by this subsection, a ~~[A]~~ petition for review may not be brought against the appraisal review board. An appraisal district may hire an attorney that represents the district to represent the appraisal review board established for the district to file an answer and obtain a dismissal of a suit filed against the appraisal review board in violation of this subsection.

No equivalent provision.

SECTION 22. Section 42.29, Tax Code, is amended to read as follows:

Sec. 42.29. ATTORNEY'S FEES. (a) A property owner may be awarded reasonable attorney's fees in an amount authorized by this section if the property owner ~~[who]~~ prevails:

(1) in an appeal to the court under Section 42.25 or 42.26;

(2) ~~[;]~~ in an appeal to the court of a determination of an appraisal review board on a motion filed under Section 25.25;

(3) in an appeal to the court of a determination of an appraisal review board

No equivalent provision.

of a procedural issue involving a motion filed under Section 25.25 or a protest filed under Chapter 41; [,] or

(4) in an appeal to the court of a determination of an appraisal review board of a protest of the denial in whole or in part of an exemption under Section 11.17, 11.22, 11.23, 11.231, or 11.24 [~~may be awarded reasonable attorney's fees~~].

(b) Subject to Subsection (c), the [The] amount of the award to a property owner may not exceed the greater of:

- (1) \$15,000; or
- (2) 20 percent of the total amount by which the property owner's tax liability is reduced as a result of the appeal.

(c) The [~~(b) Notwithstanding Subsection (a), the]~~ amount of an award of attorney's fees to a property owner may not exceed the lesser of:

- (1) \$100,000; or
- (2) the total amount by which the property owner's tax liability is reduced as a result of the appeal.

SECTION 23. The following provisions of the Tax Code are repealed:

- (1) Section 6.414; and
- (2) Section 41.44(b-1).

SECTION 24. (a) Not later than February 1, 2018, the comptroller of public accounts shall:

- (1) appoint the local property tax ombudsman as required by Section 5.054, Tax Code, as added by this Act; and
- (2) adopt rules as provided by Section 5.061, Tax Code, as added by this Act.

(b) A property owner may not file a complaint with the Office of Local Property Tax Ombudsman under Subchapter B, Chapter 5, Tax Code, as added by this Act, before March 1, 2018.

SECTION 25. Sections 6.41(d-1) and (d-9), Tax Code, as amended by this Act, and Section 6.41(d-10), Tax Code, as added by this Act, apply only to the appointment of appraisal review board members to terms beginning on or after January 1, 2019.

SECTION 26. Section 6.412(d), Tax Code, as amended by this Act, does not affect the eligibility of a person serving on an appraisal review board immediately before

SECTION 13. Same as introduced version.

No equivalent provision.

No equivalent provision.

No equivalent provision.

the effective date of this Act to continue to serve on the board for the term to which the member was appointed.

SECTION 27. (a) Section 6.42(c), Tax Code, as amended by this Act, applies only to the per diem and reimbursement of actual and necessary expenses to which a member of an appraisal review board is entitled to for appraisal review board functions that occur on or after March 1, 2018.

(b) The comptroller of public accounts shall adopt rules as provided by Section 6.42(c), Tax Code, as amended by this Act, not later than February 1, 2018.

SECTION 28. Section 25.19(b-3), Tax Code, as added by this Act, applies only to a notice of appraised value for a tax year beginning on or after January 1, 2019. A notice of appraised value for a tax year beginning before January 1, 2019, is governed by the law in effect immediately before that date, and that law is continued in effect for that purpose.

No equivalent provision.

No equivalent provision.

SECTION 29. Section 41.03(a), Tax Code, as amended by this Act, applies only to a challenge under Chapter 41, Tax Code, for which a challenge petition is filed on or after January 1, 2018. A challenge under Chapter 41, Tax Code, for which a challenge petition was filed before January 1, 2018, is governed by the law in effect on the date the

No equivalent provision.

No equivalent provision.

SECTION 14. Subchapter D, Chapter 6, Tax Code, as added by this Act, applies only to a procedural requirement as described by Section 6.61(a) of that code that a property owner alleges was not complied with on or after the effective date of Section 6.61 of that chapter as provided by this Act.

SECTION 15. Section 21.10(b), Tax Code, as amended by this Act, applies only to an allocation application that is approved by the chief appraiser of an appraisal district on or after the effective date of that subsection as provided by this Act. An allocation application that is approved by the chief appraiser before the effective date of that subsection is governed by the law in effect on the date the application is approved, and the former law is continued in effect for that purpose.

SECTION 16. Section 41.03(a), Tax Code, as amended by this Act, applies only to a challenge under Chapter 41, Tax Code, for which a challenge petition is filed on or after the effective date of that subsection as provided by this Act. A challenge under Chapter 41, Tax Code, for which a challenge petition was filed before the

challenge petition was filed, and the former law is continued in effect for that purpose.

SECTION 30. Sections 41.44, 41.45, and 41.66, Tax Code, as amended by this Act, apply only to a protest filed under Chapter 41, Tax Code, on or after January 1, 2019. A protest filed under that chapter before January 1, 2019, 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.

SECTION 31. Section 41.71, Tax Code, as amended by this Act, applies only to a hearing on a protest under Chapter 41, Tax Code, that is scheduled on or after January 1, 2018. A hearing on a protest under Chapter 41, Tax Code, that is scheduled before January 1, 2018, is governed by the law in effect on the date the hearing was scheduled, and that law is continued in effect for that purpose.

SECTION 32. Sections 41A.01, 41A.03, and 41A.06, Tax Code, as amended by this Act, apply only to a request for binding arbitration under Chapter 41A, Tax Code, that is filed on or after January 1, 2018. A request for binding arbitration under Chapter 41A, Tax Code, that is filed before January 1, 2018, is governed by the law in effect on the date the request is filed, and the former law is continued in effect for that purpose.

SECTION 33. Sections 42.01, 42.21, and 42.29, Tax Code, as amended by this Act, apply only to an appeal under Chapter 42, Tax Code, that is filed on or after the effective date of this Act. An appeal under Chapter 42, Tax Code, that is filed before the effective date of this Act is governed by the law in effect on the date the appeal is filed, and the former law is continued in effect for that purpose.

SECTION 34. (a) Except as provided by Subsection (b) of this section, this Act takes effect January 1, 2018.
(b) The following provisions take effect

effective date of that subsection is governed by the law in effect on the date the challenge petition was filed, and the former law is continued in effect for that purpose.

SECTION 17. Section 41.44, Tax Code, as amended by this Act, applies only to a protest filed under Chapter 41, Tax Code, on or after the effective date of that section as provided by this Act. A protest filed under that chapter before the effective date of that section 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.

SECTION 18. Section 41.71, Tax Code, as amended by this Act, applies only to a hearing on a protest under Chapter 41, Tax Code, that is scheduled on or after the effective date of that section as provided by this Act. A hearing on a protest under Chapter 41, Tax Code, that is scheduled before the effective date of that section is governed by the law in effect on the date the hearing was scheduled, and that law is continued in effect for that purpose.

SECTION 19. Sections 41A.01 and 41A.03, Tax Code, as amended by this Act, apply only to a request for binding arbitration under Chapter 41A, Tax Code, that is filed on or after the effective date of those sections as provided by this Act. A request for binding arbitration under Chapter 41A, Tax Code, that is filed before the effective date of those sections is governed by the law in effect on the date the request is filed, and the former law is continued in effect for that purpose.

No equivalent provision.

SECTION 20. (a) Except as provided by Subsections (b) and (c) of this section, this Act takes effect January 1, 2018.
(b) The following provisions take effect

September 1, 2018:

- (1) Sections 6.41(b), (d-1), and (d-9), Tax Code, as amended by this Act;
- (2) Sections 6.41(b-1), (b-2), and (d-10), Tax Code, as added by this Act;
- (3) Section 6.425, Tax Code, as added by this Act;
- (4) Section 25.19(b-3), Tax Code, as added by this Act;
- (5) Section 41.44(d), Tax Code, as amended by this Act;
- (6) Section 41.45(d), Tax Code, as amended by this Act;
- (7) Sections 41.45(d-1), (d-2), and (d-3), Tax Code, as added by this Act;
- (8) Section 41.66(k), Tax Code, as amended by this Act; and
- (9) Section 41.66(k-1), Tax Code, as added by this Act.

immediately if this Act receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution, or September 1, 2017, if this Act does not receive the vote necessary for immediate effect:

- (1) Section 5.05(e), Tax Code, as added by this Act;
- (2) Section 6.61, Tax Code, as added by this Act;
- (3) Section 21.10(b), Tax Code, as amended by this Act;
- (4) Section 25.25(d), Tax Code, as amended by this Act; and
- (5) Section 41.03(a), Tax Code, as amended by this Act.

(c) The following provisions take effect immediately if this Act receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution, or January 1, 2018, if this Act does not receive the vote necessary for immediate effect:

- (1) Section 41A.01, Tax Code, as amended by this Act; and
- (2) Sections 41A.03(a) and (a-1), Tax Code, as amended by this Act.