

BILL ANALYSIS

C.S.H.B. 994
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Ways & Means
Committee Report (Substituted)

BACKGROUND AND PURPOSE

It has been suggested that the current process to appeal a property tax determination in a district court can be time-consuming. C.S.H.B. 994 seeks to address this issue by providing temporary alternative appeal procedures for certain property that would allow some appeals to be brought in a justice court in a county described by the bill and by providing for a study of these temporary procedures by the Office of Court Administration of the Texas Judicial System.

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. 994 amends the Tax Code to authorize a property owner, as an alternative to bringing an appeal of an appraisal review board order regarding certain protests and determinations to a district court, to bring the appeal to a justice court if:

- the appeal relates only to a claim of excessive appraisal of property that qualifies as the owner's residence homestead; and
- if the appraised value of the property as determined by the appraisal review board and stated in the order being appealed is \$500,000 or less.

C.S.H.B. 994 limits this option to an appeal of an order issued by an appraisal review board that is located in a county that has a population of less than 45,500, that shares a border with a county that has a population of 1.5 million or more and is within 200 miles of an international border, and through which the Atascosa River flows. The bill, with respect to such appeals:

- establishes that venue of such an action is in any justice precinct in which the property that is the subject of the order being appealed is located;
- requires the justice court to dismiss the appeal if the court determines that the court does not have jurisdiction of the appeal;
- authorizes the property owner, in the event the appeal is so dismissed, to appeal the order to a district court by filing a petition for review with the district court not later than the 30th day after the date of the dismissal;
- establishes that certain specified statutory provisions governing the review of a property owner appeal by a district court apply to an appeal of an appraisal review board order regarding certain protests and determinations brought to a justice court in the same manner as those statutory provisions apply to such an appeal brought to a district court; and

- authorizes an appraisal district to be represented by legal counsel in such an appeal brought to a justice court but specifies that the district is not required to be so represented.

C.S.H.B. 994 establishes that its provisions regarding such appeals expire September 1, 2025, and apply to the appeal of an order of an appraisal review board without regard to whether the order was issued before the bill's effective date. An appeal that is pending on September 1, 2025, is governed by the bill's provisions as they existed on August 31, 2025, and those provisions are continued in effect for that purpose.

C.S.H.B. 994 requires the Office of Court Administration of the Texas Judicial System (OCA), on expiration of the bill's temporary provisions, to conduct a study, using existing resources, on the effectiveness of those provisions in increasing court efficiency and improving property owners' ability to exercise their appeal rights. The bill requires OCA, not later than December 1, 2026, to issue a report on the study to the appropriate standing committees of the house of representatives and the senate and to include recommendations as to whether the legislature should enact legislation similar to the expired provisions in the next regular legislative session following the issuance of the report.

C.S.H.B. 994, for purposes of statutory provisions regarding a protest hearing, requires the appraisal review board and the chief appraiser to review the evidence or argument duly provided by a property owner initiating a taxpayer protest before the hearing on the protest.

EFFECTIVE DATE

September 1, 2019.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 994 may differ from the original in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute changes the conditions under which a property owner may bring an appeal to a justice court as an alternative to bringing an appeal of an appraisal review board order regarding certain protests and determinations to a district court. The substitute removes the specification that statutory provisions regarding the remedy for an unequal appraisal apply to an appeal brought to a justice court.