

BILL ANALYSIS

S.B. 1436
By: Bettencourt
Public Education
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Public school districts and certain property owners are entitled to protest the findings of the comptroller of public accounts in the comptroller's school district property value study. However, only school districts have the right to continue their protest another step and seek judicial review of the comptroller's determination of a protest. The rationale for this limitation is that school districts are the only party directly impacted by a change in the study. The values determined in the study do not determine the exact appraisal values established by county appraisal districts. The methodology used in determining the study values, however, often becomes the benchmark for appraisal districts to use to ensure the school districts within their boundaries are assigned local values for purposes of state funding. Because of the impact that the study has on taxable values at the local level, certain property owners whose property is part of the study should be able to also seek judicial appeal. While their property values will not change locally for purposes of taxation if they prevail at court, the judicial determination will change how the study is conducted and ultimately will have an effect on what appraisal methodology is used to value their property. S.B. 1436 seeks to allow an eligible property owner to join a school district in seeking judicial review, subject to the district providing written consent. The bill also revises procedures governing this review process to require review to be conducted de novo and to change the evidentiary standard required to support the comptroller's findings in its school district property value study.

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

S.B. 1436 amends the Government Code to revise provisions relating to the judicial appeal by a school district of a determination by the comptroller of public accounts of a protest of the comptroller's findings in the school district property value study as follows:

- authorizes a property owner whose property is included in the study and whose tax liability on the property is \$100,000 or more to join the protesting district as a party to the appeal with the district's written approval;
- requires the court to review de novo the comptroller's determination of the protest;
- replaces the requirement for the court to remand the determination to the comptroller on making certain discoveries with a requirement for the court to order specific changes to the study on making a certain determination;

- removes as a trigger for that requirement the court's discovery that the district's substantial rights have been prejudiced; and
- changes the evidentiary standard for purposes of a court's determination that the finding of the comptroller is not reasonably supported from substantial evidence to a preponderance of the evidence and specifies that the introduction of that evidence is at the hearing.

The bill's provisions apply to an appeal that is pending on the bill's effective date or that is filed on or after that date. Implementation of a provision of the bill by the comptroller is mandatory only if a specific appropriation is made for that purpose.

EFFECTIVE DATE

January 1, 2022.