

SUBJECT: Regulation of certain property tax professionals

COMMITTEE: Ways and Means — committee substitute recommended

VOTE: 10 ayes — Oliveira, McCall, Bonnen, Craddick, Y. Davis, Hilbert, Keffer, T. King, Ramsay, Sadler

0 nays

1 absent — Heflin

SENATE VOTE: On final passage, Local and Uncontested Calendar, March 18 — 31-0

WITNESSES: For — Jim Robinson, Texas Association of Appraisal Districts

Against — None

BACKGROUND: The Property Taxation Professional Certification Act (art. 8885, VTCS) establishes requirements for the registration and certification of those responsible for assessing property values for ad valorem taxation purposes. Everyone who has the authority to render judgment on, recommend, or certify appraised values to an appraisal review board, including most county tax assessor-collectors, must register with the Board of Tax Professional Examiners (BTPE). Under current law, county tax assessor-collectors for counties with a population of 1 million or more (Harris, Dallas, Bexar, and Tarrant) are exempt from the registration requirements.

Currently, notarized applications for registration must be accompanied by a nonrefundable \$50 processing fee and a \$45 registration fee. Registrations must be renewed annually by paying the \$45 registration fee. Art. 8885, VTCS, limits the registration fee to \$35, but a rider for BTPE in the general appropriations act has allowed the board to charge \$45 for registration and for annual renewal.

People registered as appraisers, assessors, or assessor-collectors must become certified within five years of their initial registration, and registered collectors must become certified within three years. BTPE has the authority to stipulate the requirements for certification by rule. Current rules require that registered

appraisers, assessors, and assessor-collectors pass several comprehensive examinations over a five-year period to receive certification. The board is not authorized to assess a fee for these examinations.

DIGEST: CSSB 674 would increase the annual registration fee in statute from \$35 to an amount not to exceed \$55. The bill would require an application for an examination to be accompanied by a fee in an amount set by BTPE. The board would retain the fee regardless of the outcome of the examination. An application for examination would have to be filed not later than the 14th day before the examination date.

The bill would exempt county tax assessor-collectors from the registration requirements if the county had contracted under the Interlocal Cooperation Act to have its taxes assessed and collected by another taxing unit or appraisal district. This exemption would apply only while such a contract was in effect.

CSSB 674 would take effect September 1, 1999, and would apply only to examination applications filed on or after that date.

SUPPORTERS SAY: BTPE is expected to cover its costs through the fees it assesses, yet the Legislative Budget Board estimates that the current fee structure and levels will not make the board self-sufficient. CSSB 674 would allow the board to carry out its mission and duties without supplemental appropriations from general revenue. Fees for professional boards often are adjusted to provide the appropriate amount of resources to cover their costs.

All taxpayers benefit from having professionally trained and certified tax appraisers and collectors. The fees provided by this bill would be minuscule in comparison with the tax assessments made by the registered and certified appraisers each year.

OPPONENTS SAY: No apparent opposition.

NOTES: The committee substitute added the section that would exempt county tax assessor-collectors from the registration requirements if their counties had contracted with another entity for tax assessment and collection.

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The House-passed version of HB 1 by Junell, the general appropriations bill for fiscal 2000-01, would authorize BTPE to charge not less than \$45 and not more than \$75 for a registration or processing fee. The board has said it intends to charge \$55 for the registration fee during the upcoming biennium.