

## **BILL ANALYSIS**

Senate Research Center  
76R8157 SMH-F

S.B. 1097  
By: Nixon  
State Affairs  
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As Filed

### **DIGEST**

Currently, there is uncertainty as to whether representatives of a political subdivision or the state can participate in a hearing of an appraisal review board. When the property is leased by these tax- exempt entities to non-tax-exempt entities, such testimony is often needed and helpful. S.B. 1097 would authorize the state and political subdivisions to participate in tax appraisal hearings.

### **PURPOSE**

As proposed, S.B. 1097 authorizes the state or a political subdivision of this state to participate in a challenge, protest, or appeal regarding the ad valorem tax appraisal of a taxable leasehold or other possessory interest in real property owned by this state or the political subdivision.

### **RULEMAKING AUTHORITY**

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 41.05, Tax Code, by adding Subsection (d), to provide that if the challenge relates to a taxable leasehold or other possessory interest in real property that is owned by this state or certain other parties of the state, the attorney general or a representative of the agency or a designee is entitled to appear at the hearing and offer evidence and argument.

SECTION 2. Amends Section 41.06, Tax Code, by adding Subsection (c), to require the secretary of the board to deliver notice of the hearing as provided by Subsection (a) to certain state agencies or political subdivisions, if the challenge relates to a taxable leasehold or other possessory interest in real property that is owned by this state or a political subdivision of this state.

SECTION 3. Amends Section 41.45, Tax Code, by adding Subsection (i), to make a conforming change.

SECTION 4. Amends Section 41.46, Tax Code, by adding Subsection (c), to require the appraisal review board (board) to deliver notice of the hearing as provided by Subsection (a) to certain state agencies or political subdivisions, if the challenge relates to a taxable leasehold or other possessory interest in real property that is owned by this state or a political subdivision of this state.

SECTION 5. Amends Chapter 42A, Tax Code, by adding Section 42.04, as follows:

Sec. 42.04. INTERVENTION BY STATE OR POLITICAL SUBDIVISION OWNING PROPERTY SUBJECT TO TAXABLE LEASEHOLD. Authorizes the attorney general or an agency representative, or a person designated by the political subdivision that owns the real property, as applicable, to intervene in an appeal of an order of an appraisal review board determining a challenge by a taxing unit or a taxpayer protest, if the challenge or protest relates to a taxable leaseholder or other possessory interest in real property that is owned by this state or certain other parties.

SECTION 6. Effective date: September 1, 1999.  
Makes application of this Act prospective.

SECTION 7. Emergency clause.