

## **BILL ANALYSIS**

Senate Research Center

S.B. 873  
By: Harris et al.  
Finance  
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Enrolled

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Currently, the first step in contesting the appraised value of a residential homestead is to file a protest. The appraisal district makes forms available for this purpose, but an individual can also fax or mail a letter contesting the appraised value. The letter only needs to identify the individual as the owner, identify the subject property, and state that the owner disagrees with the appraised value and wishes to protest. Next, the appraisal district will schedule an "informal hearing." This can take months from the time that the protest was first filed. The purpose of the hearing is to give the owner the opportunity to present evidence that the appraised value is too high.

Employing technology could increase productivity, reduce errors, and save tax dollars all while providing improved service and convenience to the taxpayer. High volumes of protests could be handled by the appraisal district in virtual space as opposed to the costly process of opening mail, preparing documents, and keying data. Property owners could avoid the time and expense of coming in for a protest hearing and the number of days needed to hold hearings could be reduced.

S.B. 873 amends current law relating to a requirement that certain appraisal districts provide for electronic filing of and electronic communications regarding a protest of appraised value by the owner of a residence homestead.

### **RULEMAKING AUTHORITY**

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

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Subchapter C, Chapter 41, Tax Code, by adding Section 41.415, as follows:

Sec. 41.415. ELECTRONIC FILING OF NOTICE OF PROTEST. (a) Provides that this section applies only to an appraisal district that on January 1, 2008, maintained an Internet website accessible to the public, or after that date established or establishes such an Internet website.

(b) Requires each appraisal district to implement a system that allows the owner of a property that for the current tax year has been granted a residence homestead exemption under Section 11.13 (Residence Homestead), in connection with the property, to electronically file a notice of protest under Section 41.41(a)(1) (relating to a property owner being entitled to protest before the appraisal review board the determination of the appraised value of the owner's property) or (2) (relating to a property owner being entitled to protest before the appraisal review board an unequal appraisal of the owner's property) with the appraisal review board; receive and review comparable sales data and other evidence that the chief appraiser intends to use at the protest hearing before the appraisal review board; receive, as applicable, a settlement offer from the district to correct the appraisal records by changing the market value and, if applicable, the appraised value of the property to the value as redetermined by the district, or a notice from the district that a settlement offer will not be made; and accept or reject a settlement offer

received from the appraisal district under Subdivision (3)(A) (regarding a settlement offer from the district to correct the appraisal records).

(c) Requires the chief appraiser, with each notice sent under Section 25.19 (Notice of Appraised Value) to an eligible property owner, to include information about the system required by this section, including instructions for accessing and using the system.

(d) Requires that a notice of protest filed electronically under this section include, at a minimum, a statement as to whether the protest is brought under Section 41.41(a)(1) or under Section 41.41(a)(2), a statement of the property owner's good faith estimate of the value of the property, and an electronic mail address that the district is authorized to communicate electronically with the property owner in connection with the protest.

(e) Requires the chief appraiser, if the property owner accepts a settlement offer made by the appraisal district, to enter the settlement in the appraisal records as an agreement made under Section 1.111(e) (regarding an agreement between a property owner or the owner's agent and the chief appraiser being final).

(f) Requires the appraisal review board, if the property owner rejects a settlement offer, to hear and determine the property owner's protest in the manner otherwise provided by this subchapter and Subchapter D (Administrative Provisions).

(g) Provides that an appraisal district is not required to make the system required by this section available to an owner of a residence homestead located in an area in which the chief appraiser determines that the factors affecting the market value of real property are unusually complex.

(h) Provides that an electronic mail address provided by a property owner to an appraisal district under Subsection (d)(3) (regarding the inclusion of an electronic mail address with a notice of protest) is confidential and is prohibited from being disclosed by the district.

(i) Provides that, notwithstanding Subsection (b), an appraisal district established for a county having a population of 250,000 or less is not required to implement the system required by this section before January 1, 2013. Provides that this subsection expires January 1, 2014.

SECTION 2. Makes application of Section 41.415, Tax Code, as added by this Act, prospective.

SECTION 3. Effective date: January 1, 2011.