

BILL ANALYSIS

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C.S.H.B. 585
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Finance
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Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Appraisal review boards (ARBs) are independent groups of citizens appointed to resolve disputes between taxpayers and the appraisal district. While many ARBs and appraisal districts work hard to be responsive to concerns, taxpayers do complain of a perceived bias and lack of responsiveness on the part of ARBs and appraisal districts. In an effort to address these and other concerns, C.S.H.B. 585 will improve the accountability of ARBs, while ensuring that the procedural requirements relating to protests and appeals are more efficient, effective, and responsive.

C.S.H.B. 585 amends current law relating to ad valorem taxation, and creates an offense.

RULEMAKING AUTHORITY

Rulemaking authority previously granted to the comptroller of public accounts of the State of Texas is rescinded in SECTION 20 (Section 41A.031, Tax Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 5.041, Tax Code, by adding Subsection (b-1) and amending Subsections (e-2) and (f), as follows:

(b-1) Requires each member of an appraisal review board in attendance, at the conclusion of a course established under Subsection (a) (relating to requiring the comptroller of public accounts of the State of Texas (comptroller) to approve curricula and provide materials for use in training and educating members of an appraisal review board, supervise a comprehensive course for training and education of appraisal review board members and issue certificates indicating course completion, make all materials for use in training and educating members of an appraisal review board freely available online, establish and maintain a toll-free telephone number that appraisal review board members may call for answers to technical questions relating to the duties and responsibilities of appraisal review board members and property appraisal issues, and provide online technological assistance to improve the operations of appraisal review boards and appraisal districts), to complete a statement, on a form prescribed by the comptroller, indicating that the member will comply with the requirements of this title in conducting hearings.

(e-2) Requires an appraisal review board member, during the second year of the member's term of office, rather than as soon as practicable after the beginning of the second year of an appraisal review board member's term of office, to successfully complete the course established under Subsection (e-1). Requires a member to complete a statement described by Subsection (b-1) at the conclusion of the course. Prohibits a person from participating in a hearing conducted by the board, vote on a determination of a protest, or be reappointed to an additional term on the board until the person has completed the course established under Subsection (e-1) and has received a certificate of course completion. Requires the person, if the person is reappointed to an additional term on the appraisal review board, to successfully complete the course established under Subsection (e-1) and comply with the other requirements of this subsection in each year the member continues to serve. Deletes existing text prohibiting a person who fails to

timely complete the course established under Subsection (e-1) from being reappointed to an additional term on the appraisal review board.

(f) Prohibits the comptroller from advising a property owner, a property owner's agent, or the chief appraiser or another employee of an appraisal district on a matter that the comptroller knows is the subject of a protest to the appraisal review board. Authorizes the comptroller to provide advice to an appraisal review board member as authorized by Subsection (a)(4) (relating to requiring the comptroller to establish and maintain a toll-free telephone number that appraisal review board members may call for answers to technical questions relating to the duties and responsibilities of appraisal review board members and property appraisal issues) of this section or Section 5.103 and to communicate with the chairman of an appraisal review board or a taxpayer liaison officer concerning a complaint filed under Section 6.052 (Taxpayer Liaison Officer). Deletes existing text prohibiting the comptroller from advising an appraisal review board on a matter than the comptroller knows is the subject of a protest to the appraisal review board.

SECTION 2. Amends Chapter 5, Tax Code, by adding Section 5.103, as follows:

Sec. 5.103. APPRAISAL REVIEW BOARD OVERSIGHT. (a) Requires the comptroller to prepare model hearing procedures for appraisal review boards.

(b) Requires that the model hearing procedures address:

- (1) the statutory duties of an appraisal review board;
- (2) the process for conducting a hearing;
- (3) the scheduling of hearings;
- (4) the postponement of hearings;
- (5) the notices required under this title;
- (6) the determination of good cause under Section 41.44(b) (relating to entitling a property owner who files his notice of protest within a certain period of time to a hearing and determination of the protest if he shows good cause as determined by the board for failure to file the notice on time);
- (7) the determination of good cause under Sections 41.45(e) (relating to entitling a property owner to a postponement of a hearing under certain circumstances) and (e-1) (relating to entitling a property owner or a person designated by the property owner as the owner's agent to represent the owner at the hearing who fails to appear at the hearing to a new hearing if the property owner or the owner's agent files, not later than the fourth day after the date the hearing occurred, a written statement with the appraisal review board showing good cause for the failure to appear and requesting a new hearing);
- (8) a party's right to offer evidence and argument;
- (9) a party's right to examine or cross-examine witnesses or other parties;
- (10) a party's right to appear by an agent;
- (11) the prohibition of an appraisal review board's consideration of information not provided at a hearing;
- (12) ex parte and other prohibited communications;

(13) the exclusion of evidence at a hearing as required by Section 41.67(d) (relating to prohibiting certain information requested by the protesting party that was not made available to the protesting party at least 14 days before the scheduled or postponed hearing from being used as evidence in the hearing);

(14) the postponement of a hearing as required by Section 41.66(h) (relating to requiring the appraisal review board to postpone a hearing on a protest if the property owner requests additional time to prepare for the hearing and establishes to the board that the chief appraiser failed to comply with certain requirements and providing that the board is not required to postpone a hearing more than once under this subsection);

(15) conflicts of interest;

(16) the process for the administration of applications for membership on an appraisal review board; and

(17) any other matter related to fair and efficient appraisal review board hearings.

(c) Authorizes the comptroller to categorize appraisal districts based on the size of the district, the number of protests filed in the district, or similar characteristics, and develop different model hearing procedures for different categories of districts.

(d) Requires an appraisal review board to follow the model hearing procedures prepared by the comptroller when establishing its procedures for hearings as required by Section 41.66(a) (relating to requiring the appraisal review board to establish by rule the procedures for certain hearings it conducts, entitling a property owner to a copy of the hearing procedures and requiring the copy of the hearing procedures be delivered to the property owner by a certain time, providing the property owner with an opportunity to make or not make a request for a copy of the hearing procedures, and requiring that the appraisal review board post a copy of the hearing procedures in a prominent location in the room in which the hearing is held).

(e) Requires the comptroller to prescribe the contents of a survey form for the purpose of providing the public a reasonable opportunity to offer comments and suggestions concerning the appraisal review board established for an appraisal district. Requires that the survey form permit a person to offer comments and suggestions concerning the matters listed in Subsection (b) or any other matter related to the fairness and efficiency of the appraisal review board. Requires that the survey form, together with instructions for completing the form and submitting the form, be provided to each property owner at or before each hearing on a protest conducted by an appraisal review board. Authorizes the appraisal office to provide clerical assistance to the comptroller for purposes of the implementation of this subsection, including assistance in providing and receiving the survey form. Authorizes the comptroller, or an appraisal office providing clerical assistance to the comptroller, to provide for the provision and submission of survey forms electronically.

(f) Requires the comptroller to issue an annual report summarizing the survey forms submitted by property owners concerning each appraisal review board. Prohibits the report from disclosing the identity of a person who submits a survey form.

SECTION 3. Amends Section 6.035, Tax Code, by adding Subsection (a-1), to provide that an individual is ineligible to serve on an appraisal district board of directors if the individual has

engaged in the business of appraising property for compensation for use in proceedings under this title (Property Tax Code) or of representing property owners for compensation in proceedings under this title in the appraisal district at any time during the preceding five years.

SECTION 4. Amends Section 6.052, Tax Code, by amending Subsections (a), (b), (c), and (e) and adding Subsection (f), as follows:

(a) Requires the board of directors for an appraisal district created for a county with a population of more than 120,000, rather than 125,000, to appoint a taxpayer liaison officer (officer) who is required to serve at the pleasure of the board. Provides that, in addition to administering certain public access functions and resolving certain disputes, the officer is responsible for receiving, and compiling a list of, comments and suggestions filed by the chief appraiser, a property owner, or a property owner's agent concerning the matters listed in Section 5.103(b) or any other matter related to the fairness and efficiency of the appraisal review board established for the appraisal district. Requires the officer to forward to the comptroller comments and suggestions filed under this subsection in the form and manner prescribed by the comptroller.

(b) Requires the officer to provide to the public information and materials designed to assist property owners in understanding the appraisal process, protest procedures, the procedure for filing comments and suggestions under Subsection (a) of this section or a complaint under Section 6.04(g) (relating to providing that, if a written complaint is filed with the board that the board has the authority to resolve and requiring the board to notify the parties to the complaint of the status of the complaint at least quarterly and until final disposition of the complaint, unless notice would jeopardize an undercover investigation), and other matters, rather than authorizing the taxpayer liaison officer to provide information and materials designed to assist property owners in understanding the appraisal process, protest procedures, and related matters. Requires that information concerning the process for submitting comments and suggestions to the comptroller concerning an appraisal review board be provided at each protest hearing.

(c) Requires the officer to report to the board at each meeting on the status of all comments and suggestions filed with the officer under Subsection (a) of this section and all complaints filed with the board under Section 6.04(g). Makes nonsubstantive change.

(e) Provides that the chief appraiser or any other person who performs appraisal or legal services for the appraisal district for compensation is not eligible to be the officer. Makes a nonsubstantive change.

(f) Provides that the officer for an appraisal district described by Section 6.41(d-1) is responsible for providing clerical assistance to the local administrative district judge in the selection of appraisal review board members. Requires the officer to deliver to the local administrative district judge any applications to serve on the board that are submitted to the officer and to perform other duties as requested by the local administrative district judge. Prohibits the officer from influencing the process for selecting appraisal review board members.

SECTION 5. Amends Section 6.41, Tax Code, by amending Subsections (d-1) and (f) and adding Subsections (i), (j), and (k), as follows:

(d-1) Provides that in a county with a population of 120,000 or more, rather than 3.3 million or more or a county with a population of 550,000 or more that is adjacent to a county with a population of 3.3 million or more, the members of the appraisal review board are appointed by the local administrative district judge under Subchapter D (Administration by County), Chapter 74, Government Code, in the county in which the appraisal district is established. Requires that all applications submitted to the appraisal district or to the appraisal review board from persons seeking appointment as a member of the appraisal review board be delivered to the local administrative district judge. Authorizes the appraisal district to provide the local administrative district judge with information regarding whether an applicant for appointment to or a member of the

appraisal review board owes any delinquent ad valorem taxes to a taxing unit participating in the appraisal district.

(f) Authorizes a member of the appraisal review board to be removed from the board by a majority vote of the appraisal district board of directors, or by the local administrative district judge or the judge's designee, as applicable, that appointed the member. Provides that grounds for removal are:

(1) a violation of Section 6.412 (Restrictions on Eligibility of Board Members), 6.413 (Interest in Certain Contracts Prohibited), 41.66(f) (relating to prohibiting a member of the appraisal review board from communicating with another person concerning the evidence, argument, facts, merits, or any other matters related to an owner's protest, except during the hearing on the protest, or a property that is the subject of the protest, except during a hearing on another protest or other proceeding before the board at which the property is compared to other property or used in a sample of properties), or 41.69 (Conflict of Interest);

(2) good cause relating to the attendance of members at called meetings of the appraisal review board as established by written policy adopted by a majority of the appraisal district board of directors; or

(3) clear and convincing evidence of repeated bias or misconduct.

(i) Provides that this subsection applies only to an appraisal district described by Subsection (d-1). Provides that a chief appraiser or another employee or agent of the appraisal district, a member of the appraisal review board for the appraisal district, a member of the board of directors of the appraisal district, a property tax consultant, or an agent of a property owner commits an offense if the person communicates with the local administrative district judge regarding the appointment of appraisal review board members. Provides that this subsection does not apply to:

(1) a communication between a member of the appraisal review board and the local administrative district judge regarding the member's reappointment to the board;

(2) a communication between the taxpayer liaison officer for the appraisal district and the local administrative district judge in the course of the performance of the officer's clerical duties so long as the officer does not offer an opinion or comment regarding the appointment of appraisal review board members; or

(3) a communication between a chief appraiser or another employee or agent of the appraisal district, a member of the appraisal review board for the appraisal district, or a member of the board of directors of the appraisal district and the local administrative district judge regarding information described by Subsection (d-1) of this section or Section 411.1296 (Access to Criminal History Record Information: Employment by Appraisal District and Appointment to Appraisal Review Board), Government Code.

(j) Provides that a chief appraiser or another employee or agent of an appraisal district commits an offense if the person communicates with a member of the appraisal review board for the appraisal district, a member of the board of directors of the appraisal district, or, if the appraisal district is an appraisal district described by Subsection (d-1), the local administrative district judge regarding a ranking, scoring, or reporting of the percentage by which the appraisal review board or a panel of the appraisal review board reduces the appraised value of property.

(k) Provides that an offense under Subsection (i) or (j) is a Class A misdemeanor.

SECTION 6. Amends Section 6.411(c-1), Tax Code, as follows:

(c-1) Provides that this section does not apply to communications with a member of an appraisal review board by the chief appraiser or another employee of a member of the board of directors of an appraisal district or a property tax consultant or attorney representing a party to the proceeding before the appraisal review board, rather than providing that this section does not apply to communications involving the chief appraiser or another employee or a member of the board of directors of an appraisal district and a member of the appraisal review board:

- (1) during a hearing on a protest or other proceeding before the appraisal review board;
- (2) that constitute social conversation;
- (3) that are specifically limited to and involve administrative, clerical, or logistical matters related to the scheduling and operation of hearings, the processing of documents, the issuance of orders, notices, and subpoenas, and the operation, appointment, composition, or attendance at training of the appraisal review board; or
- (4) that are necessary and appropriate to enable the board of directors of the appraisal district to determine whether to appoint, reappoint, or remove a person as a member or the chairman or secretary of the appraisal review board.

SECTION 7. Amends Chapter 21, Tax Code, by adding Sections 21.09 and 21.10, as follows:

Sec. 21.09. ALLOCATION APPLICATION. (a) Requires a person claiming an allocation authorized by Section 21.03 (Interstate Allocation), 21.031 (Allocation of Taxable Value of Vessels and Other Watercraft Used Outside This State), 21.05 (Commercial Aircraft), or 21.055 (Business Aircraft) to apply for the allocation. Requires a person, to apply for an allocation, to file an allocation application form with the chief appraiser in the appraisal district in which the property subject to the claimed allocation has taxable situs.

(b) Requires a person claiming an allocation to apply for the allocation each year the person claims the allocation. Requires a person claiming an allocation to file a completed allocation application form before May 1 and provide the information required by the form. Provides that, if the property was not on the appraisal roll in the preceding year, the deadline for filing the allocation application form is extended to the 45th day after the date of receipt of the notice of appraised value required by Section 25.19(a)(3) (relating to requiring the chief appraiser to deliver a clear and understandable written notice of the appraised value of the property to certain property owners if the property was not on the appraisal roll in the preceding year). Requires the chief appraiser, for good cause shown, to extend the deadline for filing an allocation application form by written order for a period not to exceed 60 days.

(c) Requires the comptroller to prescribe the contents of the allocation application form and ensure that the form requires an applicant to provide the information necessary to determine the validity of the allocation claim.

(d) Requires the chief appraiser to investigate if the chief appraiser learns of any reason indicating that an allocation previously allowed should be canceled. Requires the chief appraiser, if the chief appraiser determines that the property is not entitled to an allocation, to cancel the allocation and deliver written notice of the cancellation not later than the fifth day after the date the chief appraiser makes the cancellation. Authorizes a person to protest the cancellation of an allocation.

(e) Provides that the filing of a rendition under Chapter 22 (Renditions and Other Reports) is not a condition of qualification for an allocation.

Sec. 21.10. LATE APPLICATION FOR ALLOCATION. (a) Requires the chief appraiser to accept and approve or deny an application for an allocation under Section 21.09 after the deadline for filing the application has passed if the application is filed before the date the appraisal review board approves the appraisal records.

(b) Provides that the property owner is liable to each taxing unit for a penalty in an amount equal to 10 percent of the difference between the amount of tax imposed by the taxing unit on the property without the allocation and the amount of tax imposed on the property with the allocation if the application is approved.

(c) Requires the chief appraiser to make an entry on the appraisal records for the property indicating the property owner's liability for the penalty and to deliver a written notice of imposition of the penalty, explaining the reason for its imposition, to the property owner.

(d) Requires the tax assessor for a taxing unit that taxes the property to add the amount of the penalty to the property owner's tax bill, and collect the penalty at the time and in the manner the collector collects the tax. Provides that the amount of the penalty constitutes a lien against the property against which the penalty is imposed, as if the penalty were a tax, and accrues penalty and interest in the same manner as a delinquent tax.

SECTION 8. Amends Section 22.01, Tax Code, by adding Subsections (c-1), (c-2), and (d-1), as follows:

(c-1) Defines "secured party" and "security interest" in this section.

(c-2) Authorizes a secured party, with the consent of the property owner, to render for taxation any property of the property owner in which the secured party has a security interest on January 1, although the secured party is not required to render the property by Subsection (a) or (b). Provides that this subsection applies only to property that has a historical cost when new of more than \$50,000.

(d-1) Requires a secured party who renders property under Subsection (c-2) to indicate the party's status as a secured party and to state the name and address of the property owner. Provides that a secured party is not liable for inaccurate information included on the rendition statement if the property owner supplied the information or for failure to timely file the rendition statement if the property owner failed to promptly cooperate with the secured party. Authorizes a secured party to rely on information provided by the property owner with respect to:

- (1) the accuracy of information in the rendition statement;
- (2) the appraisal district in which the rendition statement must be filed; and
- (3) compliance with any provisions of this chapter that require the property owner to supply additional information.

SECTION 9. Amends Section 22.24(e), Tax Code, as follows:

(e) Requires that a rendition or report, to be valid, be sworn to before an officer authorized by law to administer an oath. Prohibits the comptroller from prescribing or approving a rendition or report form unless the form provides for the person filing the form to swear that the information provided in the rendition or report is true and accurate to the best of the person's knowledge and belief. Provides that this subsection does not apply to a rendition or report filed by a secured party, as defined by Section 22.01 (Rendition Generally), the property owner, an employee of the property owner, or an employee of a property owner on behalf of an affiliated entity of the property owner.

SECTION 10. Amends Section 31.11, Tax Code, by adding Subsections (j) and (k), as follows:

(j) Provides that the application is presumed to have been denied if the collector for a taxing unit does not respond to an application for a refund on or before the 90th day after the date the application is filed with the collector.

(k) Authorizes the taxpayer to file suit against the taxing unit in district court to compel the payment of the refund not later than the 60th day after the date the collector for a taxing unit denies an application for a refund. Authorizes the taxpayer to join in the suit each taxing unit on behalf of which the collector denied the refund if the collector collects taxes for more than one taxing unit. Authorizes the taxpayer, if the taxpayer prevails in the suit, to be awarded costs of court, and reasonable attorney's fees in an amount not to exceed the greater of \$1,500, or 30 percent of the total amount of the refund determined by the court to be due.

SECTION 11. Amends Section 33.48(a), Tax Code, as follows:

(a) Entitles a taxing unit, in addition to other costs authorized by law, to recover the following costs and expenses in a suit to collect a delinquent tax:

(1) all usual court costs, including the cost of serving process and electronic filing fees; and

(2)-(6) Makes no change to these subdivisions.

SECTION 12. Amends Section 33.49(a), Tax Code, to provide that, except as provided by Subsection (b), a taxing unit is not liable in a suit to collect taxes for court costs, including any fees for service of process or electronic filing, an attorney ad litem, arbitration, or mediation, and may not be required to post security for costs.

SECTION 13. Amends Section 41.45, Tax Code, by adding Subsection (n), as follows:

(n) Provides that a property owner does not waive the right to appear in person at the protest hearing by submitting an affidavit to the appraisal review board. Authorizes the appraisal review board to consider the affidavit only if the property owner does not appear at the protest hearing in person. Requires the property owner, for purposes of scheduling the hearing, to state in the affidavit that the property owner does not intend to appear at the hearing or that the property owner intends to appear at the hearing and that the affidavit is authorized to be used only if the property owner does not appear at the hearing. Requires the appraisal review board, if the property owner does not state in the affidavit whether the owner intends to appear at the hearing, to consider the submission of the affidavit as an indication that the property owner does not intend to appear at the hearing. Provides that the appraisal review board is not required to consider the affidavit at the scheduled hearing and may consider the affidavit at a hearing designated for the specific purpose of processing affidavits if the property owner states in the affidavit that the owner does not intend to appear at the hearing or does not state in the affidavit whether the owner intends to appear at the hearing.

SECTION 14. Amends Section 41.66, Tax Code, by adding Subsections (i), (j), (k), (l), (m), (n), and (o), as follows:

(i) Requires that a hearing on a protest filed by a property owner who is not represented by an agent designated under Section 1.111 (Representation of Property Owner) set for a time and date certain. Requires the appraisal review board to postpone the hearing on the request of the property owner if the hearing is not commenced within two hours of the time set for the hearing.

(j) Requires an appraisal review board, on the request of a property owner or a designated agent, to schedule hearings on protests concerning up to 20 designated properties on the same day. Requires that the designated properties be identified in the same notice of protest, and that the notice contain in boldfaced type the statement

"request for same-day protest hearings." Prohibits a property owner or designated agent from filing more than one request under this subsection with the appraisal review board in the same tax year. Authorizes the appraisal review board to schedule hearings on protests concerning more than 20 properties filed by the same property owner or designated agent and to use different panels to conduct the hearings based on the board's customary scheduling. Authorizes the appraisal review board to follow the practices customarily used by the board in the scheduling of hearings under this subsection.

(k) Requires that protests, if an appraisal review board sits in panels to conduct protest hearings, be randomly assigned to panels, except that the board is authorized to consider the type of property subject to the protest or the ground of the protest for the purpose of using the expertise of a particular panel in hearing protests regarding particular types of property or based on particular grounds. Prohibits a protest, if the protest is scheduled to be heard by a particular panel, from being reassigned to another panel without the consent of the property owner or designated agent. Authorizes a property owner or designated agent to agree to reassignment of the protest or to request that the hearing on the protest be postponed if the appraisal review board has cause to reassign a protest to another panel. Requires the appraisal review board to postpone the hearing on that request. Provides that a change of members of a panel because of a conflict of interest, illness, or inability to continue participating in hearings for the remainder of the day does not constitute reassignment of a protest to another panel.

(l) Provides that a property owner, attorney, or agent offering evidence or argument in support of a protest brought under Section 41.41(a)(1) or (2) of this code is not subject to Chapter 1103 (Real Estate Appraisers), Occupations Code, unless the person offering the evidence or argument states that the person is offering evidence or argument as a person holding a license or certificate under Chapter 1103, Occupations Code. Requires a person holding a license or certificate under Chapter 1103, Occupations Code, to state the capacity in which the person is appearing before the appraisal review board.

(m) Prohibits an appraisal district or appraisal review board from making decisions with regard to membership on a panel or chairmanship of a panel based on a member's voting record in previous protests.

(n) Requires that a request for postponement of a hearing contain the mailing address and e-mail address of the person requesting the postponement. Requires an appraisal review board to respond in writing or by e-mail to a request for postponement of a hearing not later than the seventh day after the date of receipt of the request.

(o) Authorizes the chairman of an appraisal review board or a member designated by the chairman to make decisions with regard to the scheduling or postponement of a hearing. Authorizes the chief appraiser or a person designated by the chief appraiser to agree to a postponement of an appraisal review board hearing.

SECTION 15. Amends Section 41A.03(a), Tax Code, as follows:

(a) Requires a property owner, to appeal an appraisal review board order under this chapter, to file with the appraisal district not later than the 45th day after the date the property owner receives notice of the order:

(1) Makes no change to this subdivision; and

(2) an arbitration deposit made payable to the comptroller in the amount of \$500, rather than \$500, or \$250 if the property owner requests expedited arbitration under Section 41A.031 (Expedited Arbitration). Makes nonsubstantive changes.

SECTION 16. Amend Section 42.08(b), (b-1), and (c), Tax Code, as follows:

(b) Requires a property owner who appeals as provided by this chapter, except as provided in Subsection (d), to pay taxes on the property subject to the appeal in the

amount required by this subsection before the delinquency date or the property owner forfeits the right to proceed to a final determination of the appeal. Provides that the amount of taxes the property owner is required to pay on the property before the delinquency date to comply with this subsection is the lesser of:

- (1) the amount of taxes due on the portion of the taxable value of the property that is not in dispute;
- (2) the amount of taxes due on the property under the order from which the appeal is taken; or
- (3) the amount of taxes imposed on the property in the preceding tax year.

Makes nonsubstantive changes.

(b-1) Provides that this subsection applies only to an appeal in which the property owner elects to pay the amount of taxes described by Subsection (b)(1). Requires that the appeal filed by the property owner be accompanied by a statement in writing of the amount of taxes the property owner proposes to pay. Provides that the failure to provide the statement required by this subsection is not a jurisdictional error.

(c) Provides that a property owner that pays an amount of taxes greater than that required by Subsection (b) does not forfeit the property owner's right to a final determination of the appeal by making the payment. Authorizes the property owner to pay an additional amount of taxes at any time. Provides that, if the property owner files a timely appeal under this chapter, taxes paid on the property are considered paid under protest, even if paid before the appeal is filed. Authorizes the property owner to comply with Subsection (b) of this section by paying one-half of the amount otherwise required to be paid under that subsection before December 1 and paying the remaining one-half of that amount before July 1 of the following year, if the taxes are subject to the split-payment option provided by Section 31.03 (Split Payment of Taxes).

SECTION 17. Amends Section 42.21, Tax Code, by adding Subsections (f), (g), and (h), as follows:

(f) Authorizes a petition filed by an owner or lessee of property to include multiple properties that are owned or leased by the same person and are of a similar type or are part of the same economic unit and would typically sell as a single property. Authorizes the court, on motion and a showing of good cause, to sever the plaintiffs or the properties if a petition is filed by multiple plaintiffs or includes multiple properties that are not of a similar type, are not part of the same economic unit, or are part of the same economic unit but would not typically sell as a single property.

(g) Authorizes a petition filed by an owner or lessee of property to be amended to include additional properties in the same county that are owned or leased by the same person, are of a similar type as the property originally involved in the appeal or are part of the same economic unit as the property originally involved in the appeal and would typically sell as a single property, and are the subject of an appraisal review board order issued in the same year as the order that is the subject of the original appeal. Requires that the amendment be filed within the period during which a petition for review of the appraisal review board order pertaining to the additional properties would be required to be filed under Subsection (a) (relating to requiring a party who appeals as provided by this chapter to file a petition for review with the district court within 60 days after the party received notice that a final order has been entered from which an appeal may be had or at any time after the hearing but before the 60-day deadline and providing that failure to timely file a petition bars any appeal under this chapter).

(h) Provides that the court has jurisdiction over an appeal under this chapter brought on behalf of a property owner or lessee and the owner or lessee is considered to have exhausted the owner's or lessee's administrative remedies regardless of whether the

petition correctly identifies the plaintiff as the owner or lessee of the property or correctly describes the property so long as the property was the subject of an appraisal review board order, the petition was filed within the period required by Subsection (a), and the petition provides sufficient information to identify the property that is the subject of the petition. Requires that determining whether the plaintiff is the proper party to bring the petition or whether the property needs to be further identified or described be addressed by means of a special exception and correction of the petition by amendment as authorized by Subsection (e) (relating to authorizing certain petitions to be amended to correct or change the name of a party or, not later than the 120th day before the date of trial, identify or describe the property originally involved in the appeal) and is prohibited from being the subject of a plea to the jurisdiction or a claim that the plaintiff has failed to exhaust the plaintiff's administrative remedies. Requires the court on motion to enter a docket control order to provide proper deadlines in response to the addition of the plaintiff if the petition is amended to add a plaintiff.

SECTION 18. Amends Section 42.23, Tax Code, by adding Subsection (h), as follows:

(h) Provides that evidence, argument, or other testimony offered at an appraisal review board hearing by a property owner or agent is not admissible in an appeal under this chapter unless:

- (1) the evidence, argument, or other testimony is offered to demonstrate that there is sufficient evidence to deny a no-evidence motion for summary judgment filed by a party to the appeal or is necessary for the determination of the merits of a motion for summary judgment filed on another ground;
- (2) the property owner or agent is designated as a witness for purposes of trial and the testimony offered at the appraisal review board hearing is offered for impeachment purposes; or
- (3) the evidence is the plaintiff's testimony at the appraisal review board hearing as to the value of the property.

SECTION 19. Amends Section 42.29(a), Tax Code, as follows:

(a) Authorizes a property owner who prevails in an appeal to the court under Section 42.25 (Remedy for Excessive Appraisal) or 42.26 (Remedy for Unequal Appraisal), in an appeal to the court of a determination of an appraisal review board on a motion filed under Section 25.25 (Correction of Appraisal Roll), or in an appeal to the court of a determination of an appraisal review board of a protest of the denial in whole or in part of an exemption under Section 11.17 (Cemeteries), 11.22 (Disabled Veterans), 11.23 (Miscellaneous Exemptions), 11.231 (Nonprofit Community Business Organization Providing Economic Development Services to Local Community), or 11.24 (Historic Sites) to be awarded reasonable attorney's fees. Prohibits the amount of the award from exceeding the greater of \$15,000 or 20 percent of the total amount by which the property owner's tax liability is reduced as a result of the appeal.

SECTION 20. Repealer: Section 41A.031 (Expedited Arbitration), Tax Code.

SECTION 21. Provides that the changes in law made by this Act apply to a proceeding that is pending on the effective date of this Act or is filed on or after the effective date of this Act.

SECTION 22. Provides that Section 6.035, Tax Code, as amended by this Act, does not affect the eligibility of an individual serving on an appraisal district board of directors immediately before the effective date of this Act to continue to serve on the appraisal district board of directors for the term to which the member was appointed.

SECTION 23. (a) Requires the local administrative district judge or the judge's designee in a county described by Section 6.41(d-1), Tax Code, as amended by this Act, as soon as practicable on or after January 1, 2014, in the manner provided by Section 6.41 (Appraisal Review Board),

Tax Code, to appoint the members of the appraisal review board for the appraisal district established in the county. Requires the judge or judge's designee, in making the initial appointments, to designate those members who serve terms of one year as necessary to comply with Section 6.41(e) (relating to requiring members of the appraisal district board of directors to serve staggered two-year terms, and requiring the local administrative district judge or the judge's designee, in making the initial appointments, to designate those members who serve terms of one year), Tax Code.

(b) Provides that the changes made to Section 6.41, Tax Code, by this Act apply only to the appointment of appraisal review board members to terms beginning on or after January 1, 2014. Provides that this Act does not affect the term of an appraisal review board member serving on December 31, 2013, if the member was appointed before January 1, 2014, to a term that began before December 31, 2013, and expires December 31, 2014.

SECTION 24. Provides that Section 6.411, Tax Code, as amended by this Act, applies only to an offense committed on or after the effective date of this Act. Provides that an offense committed before the effective date of this Act is governed by the law in effect on the date the offense was committed, and the former law is continued in effect for that purpose. Provides that for purposes of this section, an offense was committed before the effective date of this Act if any element of the offense occurred before that date.

SECTION 25. Provides that Section 22.01 and 22.24, Tax Code, as amended by this Act, apply only to the rendition of property for ad valorem tax purposes for a tax year that begins on or after January 1, 2014.

SECTION 26. (a) Effective date, except as provided by Subsection (b) of this section: upon passage or September 1, 2013.

(b) Effective date, Sections 1, 2, 4, 5, 8, 9, 13, 14, and 25 of this Act: January 1, 2014.