

## **BILL ANALYSIS**

Senate Research Center  
85R6512 LHC-F

S.B. 521  
By: Creighton  
Finance  
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As Filed

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

Real estate appraisals in Texas, including for litigation purposes, may only be prepared by licensed or certified Texas appraisers. Taxpayers must therefore hire independent licensed or certified appraisers to provide testimony in district court as to the value of their property. Certain appraisal districts have their own licensed appraisers on staff, and some districts already hire outside qualified appraisers when their cases go to trial. In practice, Texas courts allow appraisal district employees to testify without being licensed or certified.

Moreover, appraisal districts will often not engage in settlement negotiations until taxpayers first provide independent appraisals from licensed or certified appraisers. This adds from \$3,500 to \$10,000 to the cost of correcting an overvaluation. Requiring that taxpayers pay for independent appraisals discourages them from disputing erroneous valuations.

A double standard exists as to the credentials needed for an expert witness testifying in district court. Taxpayers are forced to hire licensed or certified appraisers for their expert testimony, while appraisal districts are not required to use qualified witnesses and may rely on their own employees. S.B. 521 seeks to eliminate this double standard.

As proposed, S.B. 521 amends current law relating to the qualifications required of an appraisal district employee in order to testify as to the value of real property in certain ad valorem tax appeals.

### **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 Section 42.23(i), Tax Code, as effective January 1, 2020, as follows:

(i) Prohibits an appraisal district employee from testifying as to the value of real property in an appeal under Section 42.25 (Remedy for Excessive Appraisal) or 42.26 (Remedy for Unequal Appraisal) unless the person is authorized to perform an appraisal of real estate under Section 1103.201 (Certificate or License Required), Occupations Code. Deletes existing text authorizing the district court, if an appraisal district employee testifies as to the value of real property in an appeal under Section 42.25 or 42.26, to give preference to an employee who is a person authorized to perform an appraisal of real estate under Section 1103.201, Occupations Code.

SECTION 2. Provides that, notwithstanding Section 14(b), Chapter 481 (S.B. 1760), Acts of the 84th Legislature, Regular Session, 2015, Section 42.23(i), Tax Code, as added by that Act and amended by this Act, takes effect September 1, 2017.

SECTION 3. Effective date: September 1, 2017.