

BILL ANALYSIS

Senate Research Center
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S.B. 1429
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Property Tax
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Currently under Section 41A.03, Tax Code, property owners can dispute the appraised value of their property as determined by an Appraisal Review Board (ARB) through binding arbitration or litigation (appealing to a state district court).

With binding arbitration, an independent, neutral arbitrator hears and examines the facts of an appeal. The decision the arbitrator renders is binding on all parties. Property owners must request binding arbitration within 45 days of receiving an ARB order of determination notice. The fees associated with requesting binding arbitration range from \$450 to \$1,550, based on valuation and classification of the property.

Alternatively, filing in a district court can involve filing fees, attorney's fees, expert witnesses' fees, etc., easily surpassing the costs incurred with binding arbitration. Property owners must file in district court within 60 days of receiving an ARB order of determination notice.

S.B. 1429 will extend the deadline to file for binding arbitration from 45 days to 60 days in order to match the current deadline for filing an appeal with the district court. This will allow taxpayers and appraisal districts increased access to a cost-effective alternative to litigation as well as stream-lining administrative procedures at appraisal districts.

As proposed, S.B. 1429 amends current law relating to the deadline for filing a request for binding arbitration of certain appraisal review board orders.

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 41A.03 (a), Tax Code, as follows:

- (a) Requires a property owner, to appeal an appraisal review board order under this chapter (Request for Arbitration), to file with the appraisal district not later than the 60th day, rather than the 45th day, after the date the property owner receives notice of the order certain items. Makes no further changes to this section.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: upon passage or September 1, 2019.