

BILL ANALYSIS

C.S.H.B. 316
By: Otto
Ways & Means
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The legislature recently established a temporary pilot program in Bexar, Cameron, El Paso, Harris, Tarrant, and Travis Counties to allow property owners to protest an appraisal review board determination concerning property valued at \$1 million or more to the State Office of Administrative Hearings (SOAH). The program was subsequently expanded to additional counties. Interested parties note that the SOAH process has served as an alternative to appealing to a district court, which can often be a costly and time-consuming process. C.S.H.B. 316 seeks to make the appellate process under the program for certain property permanent and available to taxpayers statewide.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 316 amends the Government Code to repeal the expiration date of provisions relating to a pilot program authorizing certain property owners to appeal to the State Office of Administrative Hearings (SOAH) an appraisal review board order determining certain protests concerning property with an appraised or market value of more than \$1 million and to remove references to the pilot program. The bill maintains the authorization for a property owner to make such an appeal to SOAH and, except as otherwise indicated, the requirements related to the appeal. The bill removes provisions limiting the number of appeals that SOAH is required to determine and authorizing SOAH to develop a formula to establish the number of appeals that may be filed. The bill requires SOAH to hear appeals filed in specified municipalities, rather than in certain counties for a limited period. The bill removes language making provisions relating to an appeal to SOAH inapplicable to a determination of the appraised or market value made by an appraisal review board in connection with minerals. The bill requires an administrative law judge, if all or part of the property that is the subject of the appeal is located in one of the specified municipalities, to set the hearing in that municipality and, if no part of the property is located in one of the specified municipalities, to set the hearing in the specified municipality that is nearest to the subject property. The bill repeals the requirement that SOAH and the chief appraisers of the appraisal districts in the pilot program submit a report to the legislature detailing the appeals brought to SOAH.

C.S.H.B. 316 repeals Sections 2003.915 and 2003.916, Government Code.

EFFECTIVE DATE

January 1, 2014.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 316 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and highlighted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED

SECTION 1. The heading to Subchapter Z, Chapter 2003, Government Code, is amended.

SECTION 2. Section 2003.901, Government Code, is amended.

SECTION 3. Section 2003.902, Government Code, is amended.

SECTION 4. Section 2003.904, Government Code, is amended to read as follows:

Sec. 2003.904. APPLICABILITY TO REAL AND PERSONAL PROPERTY. This subchapter applies only to an appeal of [~~The pilot program must be applicable to~~] a determination of the appraised or market value made by an appraisal review board in connection with real or personal property, other than industrial property **or minerals**.

SECTION 5. Section 2003.908, Government Code, is amended.

SECTION 6. The heading to Section 2003.909, Government Code, is amended.

SECTION 7. Section 2003.909, Government Code, is amended.

SECTION 8. Sections 2003.915 and 2003.916, Government Code, are repealed.

SECTION 9. The changes in law made by this Act apply only to an appeal filed under Subchapter Z, Chapter 2003, Government Code, on or after the effective date of this Act. An appeal filed under Subchapter Z,

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Same as introduced version.

SECTION 2. Same as introduced version.

SECTION 3. Same as introduced version.

SECTION 4. Section 2003.904, Government Code, is amended to read as follows:

Sec. 2003.904. APPLICABILITY TO REAL AND PERSONAL PROPERTY. This subchapter applies only to an appeal of [~~The pilot program must be applicable to~~] a determination of the appraised or market value made by an appraisal review board in connection with real or personal property, other than industrial property **or minerals**.

SECTION 5. Same as introduced version.

SECTION 6. Same as introduced version.

SECTION 7. Same as introduced version.

SECTION 8. Same as introduced version.

SECTION 9. Same as introduced version.

Chapter 2003, Government Code, before the effective date of this Act is governed by the law in effect when the appeal was filed, and the former law is continued in effect for that purpose.

SECTION 10. This Act takes effect January 1, 2014.

SECTION 10. Same as introduced version.