

1-1 By: Watson S.B. No. 593  
 1-2 (In the Senate - Filed February 17, 2015; February 23, 2015,  
 1-3 read first time and referred to Committee on Finance;  
 1-4 April 27, 2015, reported adversely, with favorable Committee  
 1-5 Substitute by the following vote: Yeas 11, Nays 0, 1 present not  
 1-6 voting; April 27, 2015, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8 Nelson	X			
1-9 Hinojosa	X			
1-10 Bettencourt				X
1-11 Eltife			X	
1-12 Hancock	X			
1-13 Huffman	X			
1-14 Kolthorst	X			
1-15 Nichols	X			
1-16 Schwertner	X			
1-17 Seliger			X	
1-18 Taylor of Galveston	X			
1-19 Uresti	X			
1-20 Watson	X			
1-21 West	X			
1-22 Whitmire			X	

1-24 COMMITTEE SUBSTITUTE FOR S.B. No. 593 By: Watson

1-25 A BILL TO BE ENTITLED  
 1-26 AN ACT

1-27 relating to pretrial settlement discussions during a judicial  
 1-28 appeal of certain ad valorem tax determinations and the effect of  
 1-29 certain pretrial settlement offers on the calculation of an award  
 1-30 of attorney's fees in such an appeal.

1-31 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-32 SECTION 1. Subchapter B, Chapter 42, Tax Code, is amended by  
 1-33 adding Section 42.227 to read as follows:

1-34 Sec. 42.227. PRETRIAL SETTLEMENT DISCUSSIONS. (a) On  
 1-35 motion by a party to an appeal under this chapter for which a  
 1-36 discovery request to designate one or more expert witnesses is  
 1-37 made, the court shall enter an order requiring the parties to engage  
 1-38 in settlement discussions before the trial begins. The motion must  
 1-39 be made not later than the 210th day before the date the discovery  
 1-40 period in the appeal ends.

1-41 (b) If a motion is made under this section, the court shall  
 1-42 order the settlement discussions to be conducted not later than the  
 1-43 90th day after the date the motion is made. The court may provide in  
 1-44 the order that settlement discussions be conducted in a specific  
 1-45 manner, including as part of an informal settlement conference or  
 1-46 another form of alternative dispute resolution.

1-47 (c) Each party ordered to engage in settlement discussions  
 1-48 must make a good faith effort to resolve the matter under appeal  
 1-49 during the discussions.

1-50 SECTION 2. Section 42.29, Tax Code, is amended by adding  
 1-51 Subsection (c) to read as follows:

1-52 (c) This subsection applies only if the appraisal district  
 1-53 or the chief appraiser made a written settlement offer to the  
 1-54 property owner on or before the 45th day before the date the trial  
 1-55 began and a record of the offer was submitted to the court. For the  
 1-56 purposes of Subsections (a)(2) and (b)(2), the amount by which the  
 1-57 property owner's tax liability is reduced as a result of the appeal  
 1-58 is computed by subtracting the property owner's tax liability  
 1-59 resulting from the court's final determination of the appeal from  
 1-60 the property owner's tax liability that would have resulted had the

2-1 property owner accepted the most recent settlement offer meeting  
2-2 the requirements of this subsection. This subsection may not be  
2-3 construed to preclude a provision that waives attorney's fees or a  
2-4 refund of interest from being included in a settlement offer.

2-5 SECTION 3. The change in law made by this Act to Section  
2-6 42.29, Tax Code, applies only to an appeal filed under Chapter 42,  
2-7 Tax Code, on or after the effective date of this Act. An appeal  
2-8 filed under Chapter 42, Tax Code, before the effective date of this  
2-9 Act is governed by the law in effect when the appeal was filed, and  
2-10 the former law is continued in effect for that purpose.

2-11 SECTION 4. This Act takes effect immediately if it receives  
2-12 a vote of two-thirds of all the members elected to each house, as  
2-13 provided by Section 39, Article III, Texas Constitution. If this  
2-14 Act does not receive the vote necessary for immediate effect, this  
2-15 Act takes effect September 1, 2015.

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