

1-1 By: Bettencourt S.B. No. 1286  
 1-2 (In the Senate - Filed March 3, 2017; March 13, 2017, read  
 1-3 first time and referred to Committee on Finance; April 12, 2017,  
 1-4 reported adversely, with favorable Committee Substitute by the  
 1-5 following vote: Yeas 14, Nays 0; April 12, 2017, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7 Nelson	X			
1-8 Hinojosa	X			
1-9 Bettencourt	X			
1-10 Birdwell	X			
1-11 Hancock	X			
1-12 Huffman	X			
1-13 Kolthorst	X			
1-14 Nichols	X			
1-15 Schwertner	X			
1-16 Seliger	X			
1-17 Taylor of Galveston	X			
1-18 Uresti	X			
1-19 Watson	X			
1-20 West	X			
1-21 Whitmire			X	

1-23 COMMITTEE SUBSTITUTE FOR S.B. No. 1286 By: Bettencourt

1-24 A BILL TO BE ENTITLED  
 1-25 AN ACT

1-26 relating to the system for protesting or appealing certain ad  
 1-27 valorem tax determinations.

1-28 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-29 SECTION 1. Section 41.45, Tax Code, is amended by amending  
 1-30 Subsections (h) and (o) and adding Subsection (p) to read as  
 1-31 follows:

1-32 (h) Before the hearing on a protest or immediately after the  
 1-33 hearing begins, the chief appraiser and the property owner or the  
 1-34 owner's agent shall each provide the other with a copy of any  
 1-35 written material or material preserved on a any portable device  
 1-36 designed to maintain a an electronic, magnetic, or digital  
 1-37 reproduction of a document or image that the person intends to offer  
 1-38 or submit to the appraisal review board at the hearing. Each person  
 1-39 must provide the copy of material in the manner and form prescribed  
 1-40 by comptroller rule.

1-41 (o) If the chief appraiser uses audiovisual equipment at a  
 1-42 hearing on a protest, the appraisal office shall provide  
 1-43 audiovisual equipment of the same general type, kind, and  
 1-44 character, as prescribed by comptroller rule, for use during the  
 1-45 hearing by the property owner or the property owner's agent.

1-46 (p) The comptroller by rule shall prescribe:

1-47 (1) the manner and form, including security  
 1-48 requirements, in which a person must provide a copy of material  
 1-49 under Subsection (h), which must allow the appraisal review board  
 1-50 to retain the material as part of the board's hearing record; and

1-51 (2) specifications for the audiovisual equipment  
 1-52 provided by an appraisal district for use by a property owner or the  
 1-53 property owner's agent under Subsection (o).

1-54 SECTION 2. Section 41A.061(c), Tax Code, is amended to read  
 1-55 as follows:

1-56 (c) The comptroller shall remove a person from the registry  
 1-57 if:

1-58 (1) the person fails or declines to renew the person's  
 1-59 agreement to serve as an arbitrator in the manner required by this  
 1-60 section; or

2-1 (2) the comptroller determines by clear and convincing  
2-2 evidence that there is good cause to remove the person from the  
2-3 registry, including evidence of repeated bias or misconduct by the  
2-4 person while acting as an arbitrator.

2-5 SECTION 3. Section 41A.07, Tax Code, is amended by amending  
2-6 Subsection (a) and adding Subsections (e), (f), and (g) to read as  
2-7 follows:

2-8 (a) On receipt of the request and deposit under Section  
2-9 41A.05, the comptroller shall:

2-10 (1) appoint an eligible arbitrator who is listed in  
2-11 the comptroller's registry; and

2-12 (2) send notice to the appointed arbitrator requesting  
2-13 the individual to conduct the hearing on the arbitration [send the  
2-14 property owner and the appraisal district a copy of the  
2-15 comptroller's registry of qualified arbitrators and request that  
2-16 the parties select an arbitrator from the registry. The  
2-17 comptroller may send a copy of the registry to the parties by  
2-18 regular mail in paper form or may send the parties written notice of  
2-19 the Internet address of a website at which the registry is  
2-20 maintained and may be accessed. The parties shall attempt to select  
2-21 an arbitrator from the registry].

2-22 (e) To be eligible for appointment as an arbitrator under  
2-23 Subsection (a), the arbitrator must reside:

2-24 (1) in the county in which the property that is the  
2-25 subject of the appeal is located; or

2-26 (2) in this state if no available arbitrator on the  
2-27 registry resides in that county.

2-28 (f) A person is not eligible for appointment as an  
2-29 arbitrator under Subsection (a) if at any time during the preceding  
2-30 five years, the person has:

2-31 (1) represented a person for compensation in a  
2-32 proceeding under this title in the appraisal district in which the  
2-33 property that is the subject of the appeal is located;

2-34 (2) served as an officer or employee of that appraisal  
2-35 district; or

2-36 (3) served as a member of the appraisal review board  
2-37 for that appraisal district.

2-38 (g) The comptroller may not appoint an arbitrator under  
2-39 Subsection (a) if the comptroller determines that there is good  
2-40 cause not to appoint the arbitrator, including information or  
2-41 evidence indicating repeated bias or misconduct by the person while  
2-42 acting as an arbitrator.

2-43 SECTION 4. Sections 41A.07(b) and (c), Tax Code, are  
2-44 repealed.

2-45 SECTION 5. The comptroller shall adopt rules as provided by  
2-46 Section 41.45(p), Tax Code, as added by this Act, not later than  
2-47 January 1, 2018.

2-48 SECTION 6. The changes in law made by this Act to Section  
2-49 41.45, Tax Code, apply only to a protest for which the notice of  
2-50 protest was filed by a property owner with the appraisal review  
2-51 board established for an appraisal district on or after January 1,  
2-52 2018.

2-53 SECTION 7. The changes in law made by this Act to Section  
2-54 41A.07, Tax Code, apply only to a request for binding arbitration  
2-55 received by the comptroller from an appraisal district on or after  
2-56 the effective date of this Act.

2-57 SECTION 8. This Act takes effect September 1, 2017.

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