

1-1 By: Nelson, Buckingham S.B. No. 63
 1-2 (In the Senate - Filed November 9, 2020; March 3, 2021, read
 1-3 first time and referred to Committee on Finance; April 14, 2021,
 1-4 reported adversely, with favorable Committee Substitute by the
 1-5 following vote: Yeas 15, Nays 0; April 14, 2021, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7 Nelson	X			
1-8 Lucio	X			
1-9 Bettencourt	X			
1-10 Buckingham	X			
1-11 Campbell	X			
1-12 Creighton	X			
1-13 Hancock	X			
1-14 Huffman	X			
1-15 Kolthorst	X			
1-16 Nichols	X			
1-17 Perry	X			
1-18 Schwertner	X			
1-19 Taylor	X			
1-20 West	X			
1-21 Whitmire	X			

1-23 COMMITTEE SUBSTITUTE FOR S.B. No. 63 By: Nelson

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

1-26 relating to the system for appraising property for ad valorem tax
 1-27 purposes.

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

1-29 SECTION 1. Section 5.03, Tax Code, is amended by adding
 1-30 Subsection (d) to read as follows:

1-31 (d) Notwithstanding any other provision of this title, the
 1-32 comptroller may, after providing notice, require a document,
 1-33 payment, notice, report, or other item required to be submitted to
 1-34 the comptroller under this title to be submitted electronically and
 1-35 may send a document, payment, notice, report or other item the
 1-36 comptroller is required to send under this title electronically.
 1-37 The comptroller may adopt rules to administer this subsection,
 1-38 including rules specifying the format of an item electronically
 1-39 submitted to or sent by the comptroller.

1-40 SECTION 2. Section 5.041, Tax Code, is amended by amending
 1-41 Subsections (b) and (e-1) and adding Subsection (i) to read as
 1-42 follows:

1-43 (b) A member of the appraisal review board established for
 1-44 an appraisal district must complete the course established under
 1-45 Subsection (a). The course must provide at least eight hours of
 1-46 classroom or distance training and education. A member of the
 1-47 appraisal review board may not participate in a hearing conducted
 1-48 by the board unless the person has completed the course established
 1-49 under Subsection (a) and received a certificate of course
 1-50 completion.

1-51 (e-1) In addition to the course established under
 1-52 Subsection (a), the comptroller shall approve curricula and provide
 1-53 materials for use in a continuing education course for members of an
 1-54 appraisal review board. The course must provide at least four hours
 1-55 of classroom or distance training and education. The curricula and
 1-56 materials must include information regarding:

1-57 (1) the cost, income, and market data comparison
 1-58 methods of appraising property;

1-59 (2) the appraisal of business personal property;

1-60 (3) the determination of capitalization rates for

2-1 property appraisal purposes;

2-2 (4) the duties of an appraisal review board;

2-3 (5) the requirements regarding the independence of an

2-4 appraisal review board from the board of directors and the chief

2-5 appraiser and other employees of the appraisal district;

2-6 (6) the prohibitions against ex parte communications

2-7 applicable to appraisal review board members;

2-8 (7) the Uniform Standards of Professional Appraisal

2-9 Practice;

2-10 (8) the duty of the appraisal district to substantiate

2-11 the district's determination of the value of property;

2-12 (9) the requirements regarding the equal and uniform

2-13 appraisal of property;

2-14 (10) the right of a property owner to protest the

2-15 appraisal of the property as provided by Chapter 41; and

2-16 (11) a detailed explanation of each of the actions

2-17 described by Sections 25.25, 41.41(a), 41.411, 41.412, 41.413,

2-18 41.42, and 41.43 so that members are fully aware of each of the

2-19 grounds on which a property appraisal can be appealed.

2-20 (i) The comptroller may adopt rules to implement this

2-21 section, including rules establishing criteria for course

2-22 availability and for demonstrating course completion.

2-23 SECTION 3. Section 6.035(a-1), Tax Code, is amended to read

2-24 as follows:

2-25 (a-1) An individual is ineligible to serve on the board of

2-26 directors of an appraisal district [~~board of directors~~] if the

2-27 individual:

2-28 (1) has served as a member of the board of directors

2-29 for all or part of three terms, unless:

2-30 (A) the individual was the county

2-31 assessor-collector at the time the individual served as a board

2-32 member; or

2-33 (B) the appraisal district is established in a

2-34 county with a population of less than 120,000;

2-35 (2) has engaged in the business of appraising property

2-36 for compensation for use in proceedings under this title at any time

2-37 during the preceding three years;

2-38 (3) has engaged in the business [~~of~~] of representing

2-39 property owners for compensation in proceedings under this title in

2-40 the appraisal district at any time during the preceding three

2-41 years; or

2-42 (4) has been an employee of the appraisal district at

2-43 any time during the preceding three years.

2-44 SECTION 4. Section 6.054, Tax Code, is amended to read as

2-45 follows:

2-46 Sec. 6.054. RESTRICTION ON EMPLOYMENT BY APPRAISAL

2-47 DISTRICT. An individual may not be employed by an appraisal

2-48 district if the individual [~~is~~]:

2-49 (1) is an officer of a taxing unit that participates

2-50 in the appraisal district; [~~or~~]

2-51 (2) is an employee of a taxing unit that participates

2-52 in the appraisal district; or

2-53 (3) has served as a member of the appraisal review

2-54 board for the appraisal district at any time during the preceding

2-55 two years.

2-56 SECTION 5. Section 6.41(f), Tax Code, is amended to read as

2-57 follows:

2-58 (f) A member of the appraisal review board may be removed

2-59 from the board by a majority vote of the appraisal district board of

2-60 directors, or by the local administrative district judge or the

2-61 judge's designee, as applicable, that appointed the member. Not

2-62 later than the 90th day after the date the board of directors, local

2-63 administrative district judge, or judge's designee that appointed a

2-64 member of the appraisal review board learns of a potential ground

2-65 for removal of the member, the board of directors, local

2-66 administrative district judge, or judge's designee, as applicable,

2-67 shall remove the member or find by official action that the member's

2-68 removal is not warranted. Grounds for removal are:

2-69 (1) a violation of Section 6.412, 6.413, 41.66(f), or

3-1 41.69;

3-2 (2) good cause relating to the attendance of members
3-3 at called meetings of the board as established by written policy
3-4 adopted by a majority of the appraisal district board of directors;
3-5 or

3-6 (3) evidence of repeated bias or misconduct.

3-7 SECTION 6. Sections 11.45(a), (d), and (e), Tax Code, are
3-8 amended to read as follows:

3-9 (a) The chief appraiser shall determine separately each
3-10 applicant's right to an exemption. After considering the
3-11 application and all relevant information, the chief appraiser
3-12 shall, as soon as practicable but not later than the 90th day after
3-13 the date the application is filed with the chief appraiser, as the
3-14 law and facts warrant:

3-15 (1) approve the application and allow the exemption;

3-16 (2) modify the exemption applied for and allow the
3-17 exemption as modified;

3-18 (3) disapprove the application and request additional
3-19 information from the applicant in support of the claim; or

3-20 (4) deny the application.

3-21 (d) If the chief appraiser modifies or denies an application
3-22 [exemption], the chief appraiser [he] shall deliver a written
3-23 notice of the modification or denial to the applicant within five
3-24 days after the date the chief appraiser [he] makes the
3-25 determination. The notice must state and fully explain each reason
3-26 the chief appraiser modified or denied the application. The notice
3-27 must [He shall] include [with the notice] a brief explanation of the
3-28 procedures for protesting the modification or denial [his action].

3-29 (e) If the chief appraiser approves, modifies, or denies an
3-30 application for an exemption under Section 11.35, the chief
3-31 appraiser shall deliver a written notice of the approval,
3-32 modification, or denial to the applicant not later than the fifth
3-33 day after the date the chief appraiser makes the determination. The
3-34 notice must include the damage assessment rating assigned by the
3-35 chief appraiser to each item of qualified property that is the
3-36 subject of the application and a brief explanation of the
3-37 procedures for protesting the chief appraiser's determination. If
3-38 the chief appraiser modifies or denies the application, the notice
3-39 must state and fully explain each reason the chief appraiser
3-40 modified or denied the application. The notice required under this
3-41 subsection is in lieu of any notice that would otherwise be required
3-42 under Subsection (d).

3-43 SECTION 7. Sections 23.44(a) and (d), Tax Code, are amended
3-44 to read as follows:

3-45 (a) The chief appraiser shall determine individually each
3-46 claimant's right to the agricultural designation. After
3-47 considering the application and all relevant information, the chief
3-48 appraiser shall, as soon as practicable but not later than the 90th
3-49 day after the date the application is filed with the chief
3-50 appraiser, as the law and facts warrant:

3-51 (1) approve the application and designate the land for
3-52 agricultural use;

3-53 (2) disapprove the application and request additional
3-54 information from the claimant in support of the claim; or

3-55 (3) deny the application.

3-56 (d) If the chief appraiser denies an application, the chief
3-57 appraiser [he] shall deliver a written notice of the denial to the
3-58 claimant within five days after the date of denial. The notice must
3-59 state and fully explain each reason the chief appraiser denied the
3-60 application. The notice must include a brief explanation of the
3-61 procedures for protesting the denial.

3-62 SECTION 8. Sections 23.57(a) and (d), Tax Code, are amended
3-63 to read as follows:

3-64 (a) The chief appraiser shall determine separately each
3-65 applicant's right to have the applicant's [his] land appraised
3-66 under this subchapter. After considering the application and all
3-67 relevant information, the chief appraiser shall, as soon as
3-68 practicable but not later than the 90th day after the date the
3-69 application is filed with the chief appraiser, as the law and facts

4-1 warrant:

4-2 (1) approve the application and allow appraisal under
4-3 this subchapter;

4-4 (2) disapprove the application and request additional
4-5 information from the applicant in support of the claim; or

4-6 (3) deny the application.

4-7 (d) If the chief appraiser denies an application, the chief
4-8 appraiser ~~[he]~~ shall deliver a written notice of the denial to the
4-9 applicant within five days after the date the chief appraiser ~~[he]~~
4-10 makes the determination. The notice must state and fully explain
4-11 each reason the chief appraiser denied the application. The notice
4-12 must ~~[He shall]~~ include ~~[with the notice]~~ a brief explanation of the
4-13 procedures for protesting the denial ~~[his action and a full~~
4-14 explanation of the reasons for denial of the application].

4-15 SECTION 9. Sections 23.79(a) and (d), Tax Code, are amended
4-16 to read as follows:

4-17 (a) The chief appraiser shall determine separately each
4-18 applicant's right to have the applicant's ~~[his]~~ land appraised
4-19 under this subchapter. After considering the application and all
4-20 relevant information, the chief appraiser shall, as soon as
4-21 practicable but not later than the 90th day after the date the
4-22 application is filed with the chief appraiser, as the law and facts
4-23 warrant:

4-24 (1) approve the application and allow appraisal under
4-25 this subchapter;

4-26 (2) disapprove the application and request additional
4-27 information from the applicant in support of the claim; or

4-28 (3) deny the application.

4-29 (d) If the chief appraiser denies an application, the chief
4-30 appraiser ~~[he]~~ shall deliver a written notice of the denial to the
4-31 applicant within five days after the date the chief appraiser ~~[he]~~
4-32 makes the determination. The notice must state and fully explain
4-33 each reason the chief appraiser denied the application. The notice
4-34 must ~~[He shall]~~ include ~~[with the notice]~~ a brief explanation of the
4-35 procedures for protesting the denial ~~[his action]~~.

4-36 SECTION 10. Sections 23.85(a) and (d), Tax Code, are
4-37 amended to read as follows:

4-38 (a) The chief appraiser shall determine individually each
4-39 claimant's right to appraisal under this subchapter. After
4-40 considering the application and all relevant information, the chief
4-41 appraiser shall, as soon as practicable but not later than the 90th
4-42 day after the date the application is filed with the chief
4-43 appraiser, as the law and facts warrant:

4-44 (1) approve the application and allow appraisal under
4-45 this subchapter;

4-46 (2) disapprove the application and request additional
4-47 information from the claimant in support of the claim; or

4-48 (3) deny the application.

4-49 (d) If the chief appraiser denies an application, the chief
4-50 appraiser ~~[he]~~ shall deliver a written notice of the denial to the
4-51 claimant within five days after the date of denial. The notice must
4-52 state and fully explain each reason the chief appraiser denied the
4-53 application. The notice must include a brief explanation of the
4-54 procedures for protesting the denial.

4-55 SECTION 11. Sections 23.95(a) and (d), Tax Code, are
4-56 amended to read as follows:

4-57 (a) The chief appraiser shall determine individually each
4-58 claimant's right to appraisal under this subchapter. After
4-59 considering the application and all relevant information, the chief
4-60 appraiser shall, as soon as practicable but not later than the 90th
4-61 day after the date the application is filed with the chief
4-62 appraiser, as the law and facts warrant:

4-63 (1) approve the application and allow appraisal under
4-64 this subchapter;

4-65 (2) disapprove the application and request additional
4-66 information from the claimant in support of the claim; or

4-67 (3) deny the application.

4-68 (d) If the chief appraiser denies an application, the chief
4-69 appraiser ~~[he]~~ shall deliver a written notice of the denial to the

5-1 claimant within five days after the date of denial. The notice must
 5-2 state and fully explain each reason the chief appraiser denied the
 5-3 application. The notice must include a brief explanation of the
 5-4 procedures for protesting the denial.

5-5 SECTION 12. Sections 23.9805(a) and (d), Tax Code, are
 5-6 amended to read as follows:

5-7 (a) The chief appraiser shall determine separately each
 5-8 applicant's right to have the applicant's land appraised under this
 5-9 subchapter. After considering the application and all relevant
 5-10 information, the chief appraiser shall, as soon as practicable but
 5-11 not later than the 90th day after the date the application is filed
 5-12 with the chief appraiser, based on the law and facts:

5-13 (1) approve the application and allow appraisal under
 5-14 this subchapter;

5-15 (2) disapprove the application and request additional
 5-16 information from the applicant in support of the claim; or

5-17 (3) deny the application.

5-18 (d) If the chief appraiser denies an application, the chief
 5-19 appraiser shall deliver a written notice of the denial to the
 5-20 applicant not later than the fifth day after the date the chief
 5-21 appraiser makes the determination. The notice must state and fully
 5-22 explain each reason the chief appraiser denied the application.
 5-23 The chief appraiser shall include with the notice a brief
 5-24 explanation of the procedures for protesting the denial.

5-25 SECTION 13. Section 25.193(b), Tax Code, is amended to read
 5-26 as follows:

5-27 (b) If a property owner has elected to receive notices by
 5-28 e-mail as provided by Section 1.086, [~~for property described by~~
 5-29 ~~that section,~~] the notice required by this section must be sent in
 5-30 that manner regardless of whether the information was also included
 5-31 in a notice under Section 25.19 and must be sent separately from any
 5-32 other notice sent to the property owner by the chief appraiser.

5-33 SECTION 14. Section 25.25(e), Tax Code, is amended to read
 5-34 as follows:

5-35 (e) If the chief appraiser and the property owner do not
 5-36 agree to the correction before the 15th day after the date the
 5-37 motion is filed, a party bringing a motion under Subsection (c) or
 5-38 (d) is entitled on request to a hearing on and a determination of
 5-39 the motion by the appraisal review board. A party bringing a
 5-40 motion under this section must describe the error or errors that the
 5-41 motion is seeking to correct. The appraisal review board shall
 5-42 schedule the hearing to be held as soon as practicable but not later
 5-43 than the 90th day after the date the request for the hearing is
 5-44 made. Not later than 15 days before the date of the hearing, the
 5-45 board shall deliver written notice of the date, time, and place of
 5-46 the hearing to the chief appraiser, the property owner, and the
 5-47 presiding officer of the governing body of each taxing unit in which
 5-48 the property is located. The chief appraiser, the property owner,
 5-49 and each taxing unit are entitled to present evidence and argument
 5-50 at the hearing and to receive written notice of the board's
 5-51 determination of the motion. The property owner is entitled to
 5-52 elect to present the owner's evidence and argument before, after,
 5-53 or between the cases presented by the chief appraiser and each
 5-54 taxing unit. A property owner who files the motion must comply
 5-55 with the payment requirements of Section 25.26 or forfeit the right
 5-56 to a final determination of the motion.

5-57 SECTION 15. Section 41.44(d), Tax Code, is amended to read
 5-58 as follows:

5-59 (d) A notice of protest is sufficient if it identifies the
 5-60 protesting property owner, including a person claiming an ownership
 5-61 interest in the property even if that person is not listed on the
 5-62 appraisal records as an owner of the property, identifies the
 5-63 property that is the subject of the protest, and indicates apparent
 5-64 dissatisfaction with some determination of the appraisal
 5-65 office. The notice need not be on an official form, but the
 5-66 comptroller shall prescribe a form that provides for more detail
 5-67 about the nature of the protest. The form must permit a property
 5-68 owner to include each property in the appraisal district that is the
 5-69 subject of a protest. If the form includes boxes a property owner

6-1 is required to select from to indicate the reason the owner is
 6-2 filing a protest, the form must permit a property owner who believes
 6-3 that the owner's property was appraised at a value that exceeds its
 6-4 appraised value, was appraised unequally, or both, to select a
 6-5 single box to indicate that the owner is filing a protest for either
 6-6 or both reasons. The form must permit a property owner to request
 6-7 that the protest be heard by a special panel established under
 6-8 Section 6.425 if the protest will be determined by an appraisal
 6-9 review board to which that section applies and the property is
 6-10 included in a classification described by Section 6.425(b). The
 6-11 comptroller, each appraisal office, and each appraisal review board
 6-12 shall make the forms readily available and deliver one to a property
 6-13 owner on request.

6-14 SECTION 16. Section 41.45(a), Tax Code, is amended to read
 6-15 as follows:

6-16 (a) On the filing of a notice as required by Section 41.44,
 6-17 the appraisal review board shall schedule a hearing on the protest.
 6-18 The appraisal review board shall schedule the hearing to be held as
 6-19 soon as practicable but not later than the 90th day after the date
 6-20 the board approves the appraisal records as provided by Section
 6-21 41.12. If more than one protest is filed relating to the same
 6-22 property, the appraisal review board shall schedule a single
 6-23 hearing on all timely filed protests relating to the property. A
 6-24 hearing for a property that is owned in undivided or fractional
 6-25 interests, including separate interests in a mineral in place,
 6-26 shall be scheduled to provide for participation by all owners who
 6-27 have timely filed a protest.

6-28 SECTION 17. Section 41.46, Tax Code, is amended by adding
 6-29 Subsection (f) to read as follows:

6-30 (f) In addition to the notice required by Subsection (a), on
 6-31 written request of the property owner initiating the protest, the
 6-32 appraisal review board shall deliver to the property owner an
 6-33 electronic reminder stating the date, time, and place of the
 6-34 protest hearing that is the subject of the notice. The property
 6-35 owner may request that delivery of the electronic reminder be made
 6-36 by e-mail or text message. The property owner must provide in the
 6-37 request the e-mail address or telephone number, as applicable, to
 6-38 which the appraisal review board must send the reminder. The
 6-39 appraisal review board must deliver the electronic reminder to the
 6-40 property owner not earlier than the seventh day after the date the
 6-41 appraisal review board delivers the notice required by Subsection
 6-42 (a) and not later than the day before the date of the hearing.

6-43 SECTION 18. Section 41.67, Tax Code, is amended by adding
 6-44 Subsection (e) to read as follows:

6-45 (e) The chief appraiser may not offer evidence or argument
 6-46 at a hearing on a protest in support of a reason for modifying or
 6-47 denying an application other than a reason stated in a notice
 6-48 delivered to the applicant under Section 11.45(d) or (e), 23.44(d),
 6-49 23.57(d), 23.79(d), 23.85(d), 23.95(d), or 23.9805(d).

6-50 SECTION 19. Section 6.035(a-1), Tax Code, as amended by
 6-51 this Act, does not affect the eligibility of a person serving as an
 6-52 appointed member of the board of directors of an appraisal district
 6-53 immediately before the effective date of this Act to continue to
 6-54 serve on the board for the remainder of the term to which the member
 6-55 was appointed.

6-56 SECTION 20. Section 6.054, Tax Code, as amended by this Act,
 6-57 applies only to a former member of an appraisal review board first
 6-58 employed by an appraisal district on or after the effective date of
 6-59 this Act.

6-60 SECTION 21. Section 6.41(f), Tax Code, as amended by this
 6-61 Act, applies only to a potential ground for removal of a member of
 6-62 an appraisal review board that an appraisal district board of
 6-63 directors, local administrative district judge, or local
 6-64 administrative district judge's designee, as applicable, first
 6-65 learns of on or after the effective date of this Act.

6-66 SECTION 22. Sections 11.45(a), 23.44(a), 23.57(a),
 6-67 23.79(a), 23.85(a), 23.95(a), and 23.9805(a), Tax Code, as amended
 6-68 by this Act, apply only to an application filed with a chief
 6-69 appraiser on or after the effective date of this Act.

7-1 SECTION 23. Sections 11.45(d) and (e), 23.44(d), 23.57(d),
7-2 23.79(d), 23.85(d), 23.95(d), and 23.9805(d), Tax Code, as amended
7-3 by this Act, apply only to a notice required to be delivered by a
7-4 chief appraiser on or after the effective date of this Act.

7-5 SECTION 24. Section 25.25(e), Tax Code, as amended by this
7-6 Act, applies only to a motion to correct an appraisal roll filed on
7-7 or after the effective date of this Act.

7-8 SECTION 25. Sections 41.45, 41.46, and 41.67, Tax Code, as
7-9 amended by this Act, apply only to a protest for which the notice of
7-10 protest was filed on or after the effective date of this Act.

7-11 SECTION 26. This Act takes effect September 1, 2021.

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