

SUBJECT: Creating a pilot program in Atascosa County for appealing ARB orders

COMMITTEE: Ways and Means — committee substitute recommended

VOTE: 8 ayes — Burrows, Guillen, Martinez Fischer, Murphy, Noble, Sanford, Shaheen, Wray

0 nays

3 absent — Bohac, Cole, E. Rodriguez

WITNESSES: For — (*Registered, but did not testify*: Ray Head, Texas Association of Property Tax Professionals; Eric Opiela)

Against — Michelle Cardenas, Atascosa Central Appraisal District, Texas Rural Chief Appraisers

DIGEST: CSHB 994 would establish a pilot program allowing property owners in a certain county to bring certain appeals of an appraisal review board (ARB) order to a justice court rather than to district court or to binding arbitration. To qualify for the pilot program, the county would have to:

- have a population of less than 45,000;
- share a border with a county with a population of at least 1.5 million and is within 200 miles of an international border; and
- have the Atascosa River flow through it (Atascosa County).

The bill also would change current statewide requirements by requiring the ARB and chief appraiser to review any evidence or argument provided by a property owner before a protest hearing.

An appeal of an ARB order in Atascosa County could be brought to a justice court if it related to a claim of excessive appraisal of property qualifying as a residence homestead that the ARB had determined had an appraised value of \$500,000 or less. The venue would be in any justice precinct in which the property was located. An appraisal district could be

represented by legal counsel in such an appeal.

If the justice court determined that it did not have jurisdiction of the appeal, the appeal would have to be dismissed. The property owner then could file a petition for review in district court appealing the justice court's decision within 30 days of dismissal.

Provisions relating to petition for review, scope of review, action by the court, and remedy for excessive appraisal would apply to an appeal in a justice court in the same manner as they currently apply to an appeal in a district court.

Provisions in the bill allowing property owners in Atascosa County to appeal certain ARB orders in a justice court would expire September 1, 2025. At that point, the Office of Court Administration (OCA) would conduct a study on the provisions' effectiveness in increasing court efficiency and improving property owners' ability to exercise their rights to appeal an ARB order. OCA would issue a report to the Legislature's appropriate standing committees by December 1, 2026, with recommendations on whether legislation similar to these provisions should be enacted.

The bill would take effect September 1, 2019, and would apply to an appeal filed on or after that date.

**SUPPORTERS
SAY:**

CSHB 994 could provide greater access to justice for property owners across the state by allowing Atascosa County to test a method for appealing appraisal review board (ARB) orders.

Appealing ARB orders to district court or through binding arbitration is often expensive and time consuming for both property owners and ARBs. Such costs may prevent property owners from pursuing these appeals. The bill could provide a cheaper and more efficient alternative than the current appeals process by allowing property owners in Atascosa County to appeal ARB orders to justice courts. If the Office of Court Administration determined that appeals to justice courts were more efficient and provided

greater access to justice in Atascosa County, these provisions could be expanded statewide.

CSHB 994 also would increase the effectiveness of ARB hearings by requiring that the ARB and chief appraiser review the property owner's evidence and arguments before the hearing.

OPPONENTS
SAY:

CSHB 994 could conflict with other statutory provisions and increase costs to rural ARBs. It would be unfair to property owners outside of Atascosa County, as well as unnecessary because few property owners in Atascosa County have appealed ARB orders in the past few years. Justice courts could see an influx and be overwhelmed.

The bill's requirement that the ARB and chief appraiser review evidence and argument before a protest hearing could conflict with provisions prohibiting *ex parte* communications. It also could extend the scheduling time for each hearing, leading rural counties to expand their ARBs and increasing costs for appraisal districts and taxpayers alike.