2017 Property Tax Legislative Review

I. Concerning Legislation Introduced in 2017 – Old & New
   - Outright caps – two floor amendments (defeated 76-58 & 92-46)
   - Cap of 5% above value reduced last year by protest or lawsuit (HB 301)
   - Dark Stores – replacing market value with value in use (HB 27)
   - Making interest on refunds discretionary (HB 2253)
   - Unintended Consequences – CFAR Bill - Hand delivery of ARB orders (SB 669), special panels.

II. Bills that Passed and are now law

SB 731
Author: Bettencourt
Effective: September 1, 2017
Sec. 41A.01. Binding Arbitration increased to 5 million. Deposit is $1,550 if non-homestead.

**SB 1286**
Author: Bettencourt
Effective: September 1, 2017

Sec. 41.45. Comptroller shall establish rules for exchanging of evidence at beginning of hearing.
Sec. 41A.061. Comptroller can remove an arbitrator from the registry for good cause, including bias or misconduct.
Sec. 41A.07. Comptroller appoints arbitrator (no longer selected by the parties). Must live in the county and not have been a tax consultant or CAD employee or ARB member during the 5-preceding years.

**HB 2228**
Author: Murphy
Effective: January 1, 2018

Sec. 11.4391. Applications for freeport must be filed by June 15, not the date the ARB approves the appraisal records.
Sec. 21.09. Applications for interstate allocation are due April 1 (not May 1). If property wasn’t on roll last year, deadline is extended to 30 days past receipt of the 25.19 appraisal notice. For good cause, the chief appraiser shall extend for 30 days.
Sec 22.23. Rendition deadline for any county in which a taxing unit offers a freeport exemption is April 1. If requested by property owner, chief appraiser shall extend deadline to May 1. Chief appraiser may extend further for good cause if shown in writing by the property owner.
Sec. 41.44. Protests must be filed by May 15 (not before June 1) or 30 days after appraisal notice delivered, whichever is later. No separate deadlines for homesteads.

**HB 3103**
Author: Darby
Effective: Immediately.

Sec. 11.01. Property is taxable and considered to be used continually, if used three or more times on regular routes or for three or more completed assignments occurring “in close succession throughout the year”, defined as: “occurring in sequence within a short period at intervals from the beginning to the end of the year.”

**HB 804**
Author: Dale
Effective: September 1, 2017
Sec. 41.413. Requires property owner to send lessee the notice of appraised value within 10 days after receiving the notice. Lessee can waive the right to receive the notice in the lease or if the lease prohibits the lessee from filing a protest. If lessee requests and demonstrates it’s contractually obligated to pay taxes, CAD must send appraisal notice to lessee within 5 days, but not if the CAD posts the appraised value on its website within that five days. Lessee can appoint an agent under Section 1.111.

**H.B. 626**  
Author: Workman  
Effective: September 1, 2017

Sec. 11.431 and 11.439. Homestead exemption application may be filed up to two years after the delinquency date for the tax year in question. A disabled veteran may file for an exemption under §11.22 up to five years after the delinquency date for the tax year in question. In either case, an appraisal district will have to notify the TAC within thirty days after granting an application, and the TAC will then have sixty days in which to pay any tax refund.

**HB 455**  
Author: Metcalf  
Effective: September 1, 2017

Sec. 41.45. Property owner can appear at ARB hearing by telephone and offer argument, but not evidence. Evidence must be offered by affidavit. Must give notice of intent to appear by phone in notice of protest or in writing filed with the ARB at least 10 days before the hearing. ARB can propose telephonic hearing if owner agrees. ARB shall provide the phone number to call and hold the hearing in a location equipped with telephone equipment.

**SB 594**  
Author: Creighton  
Effective: January 1, 2018

Revision to the ag manual now only requires review and counsel of only the Department of Agriculture and not the governor and other high-level state officials. A revision of the timber manual only requires the review and counsel of the Texas A&M Forest Service.
SB 1767
Author: Buckingham
Effective January 1, 2018

Sec. 25.25(e) & 41.66. Property owner can elect when to present evidence during the hearing.

S.B. 1459
Author: Hinojosa
Effective: Immediately (applies to agreements signed after May 19, 2017)

Sec. 23.524. Allows citrus growers to keep their agricultural appraisal for up to 5 years if they agree to temporarily cease using the land to fight a pest infestation under an agreement with state or federal government authorities.

SB 1345
Author: Watson
Effective: January 1, 2018

Sec. 11.18. Exempts property owned by an organization that provides tax return preparation services and assistance with other financial matters to beneficiaries without regard to their ability to pay.

HB 2999
Author: Dennis Bonnen
Effective: January 1, 2018

Sec. 11.23. Addresses exemptions for certain medical centers in Harris County.

H.B. 2989
Author: Dennis Bonnen
Effective: Immediately

Sec. 26.15. If a change to a tax roll results in a refund being due, the TAC will pay the refund to the property owner who paid the tax, not to a new owner.

S.B. 625
Author: Kolkhorst
Effective: September 1, 2017

Sec. 403.0241, 403.0242 Government Code; Sec. 203.061 and 203.062 Local Government Code. By September 1, 2018, Comptroller must create an Internet database containing financial and tax rate information about special purpose districts (does not include city, county, ISD or community college). Website must list board members and contact information for the main office and the District’s TAC. Districts are required to provide the information to the Comptroller. A district that fails to do so will be included on a noncompliance list and may be subjected to a $1,000 fine for every thirty days that it remains out of compliance.

S.B. 1086
Author: Seliger
Effective: Immediately

Sec. 156.155. Comptroller may no longer post on the Internet information about a hotel’s taxable receipts. The information is still available under the Public Information Act.

SB 945
Author: Bettencourt
Effective: September 1, 2017

Sec. 25.25(b). Appraisal roll can be changed at any time to correct erroneous denial of a homestead, over 65 or disabled or disabled veteran’s exemption (decreases owner’s tax liability).

III. Bills Passed – Not Included in this Paper

- Disabled veteran’s exemptions
- Exemption for surviving spouse of first responders
- Abatement amendments
- Manufactured Homes
- List of people who can keep addresses confidential
- Collections
- Nueces County / San Patricio County Boundary Dispute
- School Finance