

Variety of Changes Proposed For Appraisal Districts; Taxation

On the topic of taxation, the biggest change proposed in the legislature is the reorganization of appraisal districts.

Under a system proposed by Sen. David Cain (D-Dallas) in his SB 841, the five-member board of directors currently selected by the taxing units, including water districts, would become elected officials, one from each of the four county precincts and one at large. Vacancies would be filled by commissioners court.

Districts would no longer be entitled to participate on the appraisal district's acquisition, construction or conveyance of real property, on the budget, or on the fiscal-year cost-allocation method. The districts also no longer would be entitled to receive a copy of the annual audit.

Another bill, HB 1361 filed by Rep. Clyde Alexander (D-Athens) would change control of the administrative and judicial review of property tax determinations.

Control of all aspects of the appraisal review boards (ARB) would shift from the appraisal district board to a majority of the state district judges in each county. ARB hearings would not be held in the appraisal district building. (Perhaps this is to give the appearance of more independence.)

The bill would also give jurisdiction to hear property valuation appeals to the State Office of Administrative Hearings. The appraisal district would be required to reimburse the State for the cost of the hearings, and if the property owner won the appeal, he/she would be able to recover a portion of the costs of the appeal (including attorney's fees). The amount recoverable, would depend on the success of the appeal.

Another bill, which was filed by Rep. Mark Stiles (D-Beaumont), HB 2201, would cap the attorney's fees at \$5,000 for a property owner who appeals successfully. It would also allow the appraisal district to recover up to \$5,000 in attorney's fees against the property owner and allow the court to impose a penalty on a property owner who is found to have brought the appeal in bad faith. The penalty would be added to each taxing unit's tax bill to the taxpayer.

Tax foreclosure sales would have to occur at the time and place specified in the court order according to another bill, HB 1651 filed by Rep. Bill Siebert (R-San Antonio). This provision would defeat a foreclosure trick (currently allowed) by some sellers, to appear later in the day than the normal 10:00 a.m. starting sale time to ensure no other bidders are present.

Several bills require the taxing units to elect either the value of the property or personal worth of the property owner as remedies for satisfaction of a tax liability. Others would extinguish personal liability at the time of a tax sale.

Another bill, SB 974 filed by Sen. John Carona (R-Dallas) would allow taxing units to recover any environmental remediation costs incurred as to tax-foreclosed property.