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LSG Floor Report For House Joint Resoluiton Calendar- Wednesday, August 2, 2017

HJR 20 By: Bohac	Proposing a constitutional amendment authorizing the legislature to provide for an exemption from ad valorem taxation of all or part of the market value of the residence homestead of a Purple Heart recipient or the surviving spouse of a Purple Heart recipient.	Ways & Means	This resolution relates to an ad valorem property tax exemption for Purple Heart recipients and their surviving spouses. The state can recognize the valor in service of the United States demonstrated by recipients of the award by offering them the same tax relief that is offered to 100% disabled veterans. Because so many of the award are granted posthumously, it is important to extend the benefits to the service member's surviving spouse to honor their loss.	Favorable Evaluated by: Ana Ramon 210-382-4295 Ana@Texaslsg.org
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LSG Floor Report For General Calendar- Wednesday, August 2, 2017

HB 32 By: Bonnen, Dennis / Shine / Raymond / Murphy / Darby	Relating to the administration of the ad valorem tax system; authorizing fees.	Ways & Means	<p>The best way to help our property owner's is to equip them with the resources they need to keep them informed on the changes to their property appraisals. There is a lack of clarity and confusion when property taxes go up and often few places to find answers. This bill seeks to empower the taxpayers by providing them with information and bring uniformity to the process. One of the most negatively impactful provisions left out of the House version of the bill is the required 5% rollback tax rate. It is imperative to the wellbeing of counties and cities to maintain the current process for taxpayers to petition for a rollback election; any amendments or changes to the bill affect this provision would render the LGS rating unfavorable. HB 32 seeks to provide transparency and accessibility to taxpayers through substantive changes to the process and methods by which information is made available to the public, as well as statutory changes relating to local property tax appraisal and review.</p> <p>HB 32 would require the Chief Appraiser to include additional information when presenting at an Appraisal Review Board (ARB) hearing. Chapter 5 of the bill directs the Comptroller to appoint a Property Tax Administration Advisory Board to help the Comptroller oversee the administration of property taxes, appraisal district, and local tax offices. This Board can make recommendations and on improving the overall property tax system, best practices, and complaint resolution procedures. This section also dissolves the Comptroller's Property Value Study Advisory Committee and transitions certain duties to the advisory board from the dissolved committee.</p>	Favorable Evaluated by: Ana Ramon 210-382-4295 Ana@Texaslsg.org
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HB 32 institutes training requirements and curricula for appraisal review board members for an appraisal district of at least 8 hours of classroom education and at least 4 hours of training for a continuing education course. The Comptroller can assess a fee of no more than \$50 per person trained. These education requirements only concern board members who are appointed to serve on or after the effective date. The bill repeals Subsection 41A.06(c) of the Tax Code that concerns arbitrator training and update duties of the Comptroller to include: approval of curricula and provide free online materials for training and educating arbitrators; create a four-hour training program on property appraisal focusing on equal and uniform appraisals, and create an arbitration manual. HB 32 allows for the Comptroller enter into a contract with service providers for the arbitrator training for certain entities; allowing for the implementation of a fee. It would also require a person requesting a revision to the arbitration manual to pay for mediation if the Comptroller decides mediation is required.

Tax rate calculation forms provided by the Comptroller’s office and required to be electronically available and certified to accurately calculate the tax rates using certified appraisal roll values. This will give the public more access to the data and increase transparency. The Comptroller must use the forms and is given the capability to update the forms as necessary. The changes must be non-substantive and any substantive changes can be made if approved by the members of a committee selected by the Comptroller. The bill describes the makeup of the committee and provide for mediation when necessary. For entities other than school districts: calculate and submit the no-new revenue tax rate and the rollback tax rate for the unit; School Districts: no-new-revenue tax rate, the rollback tax rate, and the rate to maintain the same amount of state and local revenue per student that the district received in the previous school year. HB 32 seeks to make the list of taxing entities more up to date and uniform by requiring a list of taxing entities to be prepared with the tax rates in which the list is created and not the previous years rates. It would also require school districts to be included on the list of tax rates by taxing unit. The Comptroller will be in charge in determining the criteria and deadlines for the list of taxing rates and entities by appraisal district.

The bill repeals subsections 5.103 (e) and (f) of the Tax Code which deals with an appraisal review board survey, and replaces it with new provisions. It now requires the Comptroller to implement an appraisal form for property owners or their designated agent. The forms shall be available to each property owner or designated agent by the appraisal district before each hearing. These forms will allow the public to file certain protests, comments, and corrections to the Comptroller’s office on designated issue areas.

HB 32 would require counties with populations of one million or more to increase the size of their appraisal review boards as needed to manage the amount of work the board is given. This also applies to any special panels the county may have. The bill also details the process of selection of the special panels by the local administrative district judge. This provision has a start date for terms beginning on or after January 1, 2019. Certain relatives of appraisal board members will not be eligible to serve on an appraisal review board. The bill also allows the local administrative district judge to decide who the chair and secretary of the board will be. The bill also repeals a section of the Tax Code that barred individuals from serving more than three consecutive terms. It also details how many members on the prevailing side to take certain actions. The bill would create a three-member appraisal review board panels for properties in counties with populations greater than one million. The panels would focus on properties appraised at \$50 million or more. It details the make-up of the board and processes related to the special appraisal review board panels.



			<p>This bill changes the name of the “effective maintenance and operations rate” to no-new-revenue maintenance and operations rate” it also changes the name of the “effective tax rate” to “no-new-revenue tax rate”. The bill revises what information must be placed in a notice for certain public tax rate hearings and similar notices. General information on the “no-new-revenue” tax rate can be posted on the home page of the taxing entity as determined by the Comptroller’s office. This is in addition to the other traditional posting requirements. The bill allows for property owners the opportunity to file an injunction and stop the collection of taxes if the entity levying the taxes has failed to follow the guidelines of: certain computation, publication, posting, or other requirements.</p> <p>This bill removes the estimated tax due from the property owner’s notice of appraised value. This information was originally calculated based on the previous year’s tax rate and was often confusing. This section is widely supported and will hopefully provide more clarity to the property owners.</p> <p>HB 32 strikes the ability of a taxing unit to challenge the level of appraisals in their district. A notice must be filed by the property owner if they want the protest to be heard by a special panel. The bill makes these and other changes to special panels. The issues to be taken up at an ARB hearing must be provided in a written notice. A chief appraiser would be prohibited from charging a property owner or agent for information and data on procedures relating to an appraisal review board hearing; provisions outlining delivery requirements are also provided.</p> <p>Per the bill, an appraisal review board would be prohibited from determining that the appraised value or a property an individual is currently protesting to be a greater amount than the appraised value listed in the appraisal records submitted by the chief appraiser to the board. The bill details the process by which an ARB can proceed with all protested properties. This includes: how the hearing is scheduled and the notices for the hearings. This also includes consecutive and special panels. The bill also lays-out changes to review board hearings and determinations. The bill specifies what days and times hearings can take place. The changes to procedures around filing a protest by property owners will only be applicable to protests filed after the bill’s effective date. HB 32 also changes some of the procedures of property tax appeals through binding arbitration. Specifically, what steps an arbitrator must take to qualify under this provision. This bill does provide for a grandfather clause for those who are currently serving as an arbitrator and would only need to meet the requirements upon their renewal of their agreement with the Comptroller’s office.</p>	
<p>HB 155 By: Phelan / Springer / Raymond / Murphy / Guillen / et al.</p>	<p>Relating to the authority of an appraisal review board to direct changes in the appraisal roll and related appraisal records if a residence homestead is sold for less than the appraised value.</p>	<p>Ways & Means</p>	<p>This bill allows the chief appraiser or property owner to order changes to the appraisal of the property owner's homestead if the homestead sells for at least 10% less than the appraised value, and the appraisal review board makes a finding that the sale price reflects the market value of the property. The appraised value can be adjusted for the current year and the two preceding years based on the sale price of the homestead.</p> <p>If the property owner meets those qualifications they will be due a refund for the difference they paid in property taxes. This policy would help ensure that property owners are taxed at the actual rate their homestead would sell for. However, this bill does not take into consideration that the value of the property may have dropped over the last couple of years and at the time of appraisal the appraised value was correct. Additionally, processes are already in place for property owners to challenge the appraised value of their homestead. The policy in this bill is duplicative and does not necessarily increase the accuracy of the appraisal. Each appraisal district must maintain an updated database with information by the taxing entities. The database must be publicly available before a taxing unit can hold a public hearing. The County tax accessor is also required to post certain information on the county website</p>	<p>Will of the House Evaluated by: Nicolas Kalla 210-382-4295 Info@Texaslsg.org</p>



			Taxing entities must do the following before adopting a tax rate: the chief appraiser of each district must deliver a notice on the estimated taxes that includes the completed tax rate calculations into the database, the taxing unit has updated the database with all necessary information, and all necessary information on the website the taxing unit is required to maintain by HB 32.	
HB 165 By: Geren	Relating to the authority of a district court to hear and determine certain ad valorem tax appeals.	Ways & Means	This bill amends the Tax Code to create system for property owners to dispute findings by the Appraisal Review Board. Property owners are entitled to utilize the court system to appeal the ARB's final determination regarding a valuation, and the following steps will occur: <ul style="list-style-type: none"> • The case can be reprocessed by the ARB in situations where the property owner did not exhaust all administrative processes available to them; • The ARB shall then conduct a hearing to reevaluate the case and issue a written statement regarding the matter; and then • The ARB's reevaluation of the case can be appealed back to the original court at the property owner's request. All parties are authorized to waive the process outlined above and elect to have the court make a final determination regarding the matter. HB 165 outlines an easily-understood set of steps for property owners to follow, but the additional time and money associated with pursuing the matter in the courts may be prohibitive in some instances.	Favorable w/ Concerns Evaluated by: Ana Ramon 210-382-4295 Ana@Texaslsg.org
HB 192 By: King, Phil / Guillen / Flynn / Morrison, Geanie W. / Clardy	Relating to the authority of the chief appraiser of an appraisal district to increase the appraised value of property in the tax year following the year in which the appraised value of the property is lowered as a result of a protest or appeal.	Ways & Means	This bill raises the standard of evidence needed to raise the appraised value of a piece of property to "clear and convincing" from "substantial" if in the prior year the appraisal was lowered after a protest or appeal of the prior year's appraisal. This bill puts an unreasonably high burden on appraisal districts to prove the market value of a property which would require appraisal districts to use additional resources to collect evidence to determine the value of these properties. Additionally, this would have the unintended consequence of shifting the tax burden to other properties that have their appraisal set by a different standard of evidence.	Unfavorable Evaluated by: Nicolas Kalla 210-382-4295 Info@Texaslsg.org
HB 74 By: Cospers / Shine	Relating to the applicability of the law governing the provision of state aid to certain local governments disproportionately affected by the granting of ad valorem tax relief to disabled veterans.	Ways & Means	This bill expands the range of municipalities that can qualify for reimbursement of lost property taxes resulting from an exemption for disabled military veterans. Currently, such reimbursement is only available to municipalities located in the same county as a military installation. The process of receiving reimbursements is not automatic, as the municipalities must apply with the comptroller's office demonstrating that they are disproportionately affected by the exemptions. The bill does not affect the property tax exemption for the veterans, only the ability of the local governments to seek relief from the state. This bill will mainly affect the region surrounding Fort Hood, home to one of the highest concentrations of veterans in the state.	Favorable Evaluated by: Ana Ramon 210-382-4295 Ana@Texaslsg.org
HB 72 By: Bohac / Guillen	Relating to an exemption from ad valorem taxation of the residence homestead of a Purple Heart recipient or the surviving spouse of a Purple Heart recipient.	Ways & Means	This bill is cited as the "Purple Heart Homestead Act" and would exempt Purple Heart recipients and surviving spouses who qualify from ad valorem property taxes. Under current statute, disabled members of the armed forces are entitled to exemption from property taxes, with some property relief for those that with less than a 100% VA disability rating, but the Purple Heart is not contingent on a disability rating. This bill also renames the "local government disabled veteran assistance payments" to "military exemption assistance payments." The bill details what qualifications local governments must meet to receive the payment to offset the cost of this exemption.	Favorable Evaluated by: Ana Ramon 210-382-4295 Ana@Texaslsg.org

