



2020 Annual Report

Gillespie Central Appraisal District
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GILLESPIE CENTRAL APPRAISAL DISTRICT

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November, 2020

Welcome from the Chief Appraiser:

It is my pleasure to present the 2020 Gillespie Central Appraisal District Annual Report. The purpose of this report is to provide a summarized year to year comparison and analysis of appraisal activity as well as to provide transparency in reporting of imperative data.

The Gillespie Central Appraisal District strives to provide fair and uniform market value appraisals while operating in an efficient and accurate manner. It is our hope that this Annual Report will allow greater insight into the operations of the Gillespie Central Appraisal District.

With our staff experience, knowledge, and professionalism, our office looks forward to continuing to serve and assist the entities and property owners of Gillespie County.

Sincerely,

A handwritten signature in blue ink that reads "Scott Fair". The signature is written in a cursive, flowing style.

Scott Fair
Chief Appraiser

General Information:

The Gillespie Central Appraisal District (GCAD) is a political subdivision of the State of Texas created effective January 1, 1980. The provisions of the Texas Property Tax Code govern the legal, statutory, and administrative requirements of the appraisal district. The local property tax system follows the principle of checks and balances. An appraisal district board of directors hires the chief appraiser, sets the budget and appoints the appraisal review board members.

The directors have no authority to set values or appraisal methods. The chief appraiser carries out the appraisal district's legal duties, hires the staff, makes the appraisals and operates the appraisal office. The Gillespie Central Appraisal District Board of Directors consist of five members. The Directors are appointed or elected by the eligible taxing units of Gillespie County in accordance to Section 6.03 of the Texas Property Tax Code.

2020 GCAD Board Members:

- Tim Dooley (Chairman)
- Donald Davis
- Nicole Carroll
- Tony Klein
- Jim McAfee

Purpose of Report:

The purpose of this report is to better inform the property owners within the boundaries of the Gillespie Central Appraisal District (GCAD) of year to year data and changes within the state property tax system. Appraisals performed by the GCAD are an estimate of market value on January 1 of each year as defined by the Texas Property Tax Code (Sec. 1.04) on all taxable property within the boundaries of GCAD. The intended use of the appraisals is to establish a tax base upon which a property tax will be levied, and provide the taxing entities of Gillespie County a certified appraisal roll of all taxable property within their jurisdictions for purposes of Ad Valorem Taxation only.

Entities Served by GCAD:

- Gillespie County
- City of Fredericksburg
- Doss Consolidated Common School District
- Fredericksburg Independent School District
- Harper Independent School District
- Gillespie Water Control & Improvement District
- Hill Country Underground Water Conservation Dist.
- Stonewall Water Control & Improvement District

Market Value:

Texas Property Tax Code (Sec. 1.04) defines market value as “the price at which a property would transfer for cash or its equivalent under prevailing market conditions if:

(A) exposed for sale in the open market with a reasonable time for the seller to find a purchaser;

(B) both the seller and the purchaser know of all the uses and purposes to which the property is adapted and for which it is capable of being used and of the enforceable restrictions on its use; and

(C) both the seller and the purchaser seek to maximize their gains and neither is in a position to take advantage of the exigencies of the other.”

Gillespie Central Appraisal District Appraisal Parameters :

Appraisal Area:	Gillespie County	Assessment Ratio:	100 %
Appraisal Date:	January 1, 2020	Parcels Appraised:	32,818
Tax Year:	2020	Property Types:	Real and Personal

2020 Property Type Breakdown for GCAD at Certification							
State Code	Description	No. of Accounts	New Market Value	Market Value	% of Total Market	Taxable Value	% of Total Taxable
A, B, M, O	Residential Real	7,856	\$68,952,617	\$2,216,201,432	22%	\$2,181,199,353	40%
F1, F2	Commercial/Industrial Real	1,910	\$28,990,780	\$970,133,547	10%	\$970,121,047	18%
C, D, E	Vacant Land	23,750	\$59,732,970	\$6,171,624,062	61%	\$1,935,821,761	36%
L1, L2, S	Business Personal Property	3,412	\$0	\$238,694,950	2%	\$238,694,950	4%
X	Total Exempt Properties	1,275	\$56,803,010	\$376,337,099	4%	\$0	0%
G	Oil, Gas, and Mineral Reserves	1	\$0	\$0	0%	\$0	0%
J	Utilities	133	\$0	\$98,378,250	1%	\$98,378,250	2%
Totals			\$214,479,377	\$10,071,369,340		\$5,424,215,361	

GCAD Ratio Summary for Sales 06/01/2019 through 06/01/2020

Category	Description	Sample Size	Weighted Mean	Median	COD
A1	Single Family Residential	318	0.9454	0.9468	10.2345
A2	Single Family Residential Manufactured Home	14	0.7981	0.8278	30.3953
B1	Multifamily Residential	2	0.8777	0.8863	3.2426
B2	Multifamily Residential	2	0.9701	0.9696	3.1332
C1	Vacant Lots and Tracts in City	51	0.8392	0.9496	11.5587
C3	Vacant Lots and Tracts out of City	24	0.9698	0.9699	17.8428
D1	Qualified Open-space Land	79	0.9853	0.9912	23.6055
D2	Farm and Ranch Improvements	14	0.9911	0.9690	20.7967
E1	Rural, Non-Open-space Land and Improvements	84	0.8933	0.9267	19.6083
E2	Rural, Non-Open-space Land and Manufactured Housing	14	1.0480	1.1311	62.4888
F1	Commercial	41	0.8521	0.8937	18.8590
M3	Manufactured Homes	6	0.8336	0.7423	22.5247
O	Residential Inventory	4	0.7257	0.6568	17.2272
Totals		670	0.9234	0.9437	16.7288

2019 - 2020 Market Comparison by Taxing Unit

Taxing Unit	2019 Certified Market Value	2020 Certified Market Value	Percent Change
Gillespie County	\$9,789,229,453	\$10,071,369,340	2.88%
City of Fredericksburg	\$2,595,876,790	\$2,720,720,503	4.81%
Fredericksburg Independent School District	\$8,383,601,056	\$8,654,472,263	3.23%
Harper Independent School District	\$1,059,913,247	\$1,068,987,320	0.86%
Doss Common Consolidated School District	\$345,715,150	\$347,909,757	0.63%
Hill Country Underground Water Conservation District	\$9,789,229,453	\$10,071,369,340	2.88%
Gillespie Water Control and Improvement District	\$9,789,229,453	\$10,071,369,340	2.88%
Stonewall Water Control and Improvement District	\$49,290,411	\$51,803,140	5.10%

GCAD Taxable Value by Year

<u>Year</u>	<u>Market Value</u>
2015	\$ 3,527,327,320
2016	\$ 3,786,983,425
2017	\$ 4,258,026,627
2018	\$ 4,605,239,006
2019	\$ 5,182,822,500
2020	\$ 5,424,215,361

GCAD New Improvement Value by Year

<u>Year</u>	<u>New Value</u>
2015	\$ 87,127,780
2016	\$ 104,961,110
2017	\$ 129,188,452
2018	\$ 146,648,696
2019	\$ 224,181,303
2020	\$ 214,479,377

GCAD Total Market Value by Year

<u>Year</u>	<u>Market Value</u>
2015	\$ 7,340,943,122
2016	\$ 7,638,110,444
2017	\$ 8,507,913,023
2018	\$ 8,948,613,482
2019	\$ 9,789,229,453
2020	\$ 10,071,369,340

GCAD Average Single-Family Homestead Residence Market Value by Year

<u>Year</u>	<u>Homestead Value</u>
2015	\$ 233,696
2016	\$ 249,524
2017	\$ 283,014
2018	\$ 296,727
2019	\$ 328,323
2020	\$ 328,031

Taxpayer Appeal Results:

For the 2020 tax year in accordance with Texas Property Tax Code (Sec. 25.19), the Gillespie Central Appraisal District mailed notices of appraised value for all non-exempt properties. Notices of appraised value were mailed on May 12, 2020. All property owners and/or authorized tax consultants had until June 12, 2020 to file an appeal with the Appraisal Review Board (ARB) under Texas Property Tax Code (Sec. 41.44).

The Appraisal Review Board (ARB) hearings began June 24, 2020 and concluded on October 6, 2020. The ARB approved the appraisal records on July 16, 2020 and the Chief Appraiser certified the appraisal roll on July 24, 2020.

2020 Protest Breakdown					
Property Type	Settled / Withdrawn / Cancelled	Hearing Held	ARB Adjusted	No-Show at Hearing	Total Protests
Residential	290	122	55	93	505
Commercial	147	80	19	27	254
Business Personal	130	11	5	9	150
Land	253	39	12	34	326
Residential Inventory	1	0	0	0	1
Utilities	55	2	0	7	64
Totals	876	254	91	170	1300

2020 Tax Rates for Taxing Entities in Gillespie County

Taxing Entity	M&O Rate (per \$100)	I&S Rate (per \$100)	Total Tax Rate (per \$100)
Gillespie County (G086)	\$0.3801	\$0.0243	\$0.4044
City of Fredericksburg (CFB)	\$0.184625	\$0.036150	\$0.220775
Fredericksburg ISD (SFB)	\$0.9491	\$0.1062	\$1.0553
Harper ISD (SHP)	\$0.9453	\$0	\$0.9453
Doss CCSD (SD)	\$0.9537	\$0	\$0.9537
Hill Country UWCD (HUW)	\$0.0062	\$0	\$0.0062
Gillespie WCID (WCD)	\$0.0002	\$0	\$0.0002
Stonewall WCID (WDS)	\$0.3701	\$0	\$0.3701
Combination of Rates			
County, City, Fredericksburg ISD, HUW, WCD		\$1.686875	
County, Fredericksburg ISD, HUW, WCD		\$1.4661	
County, Fredericksburg ISD, HUW, WCD, WDS		\$1.8362	
County, Harper ISD, HUW, WCD		\$1.3561	
County, Doss CCSD, HUW, WCD		\$1.3645	

Exemptions:

Property owners may qualify for a variety of exemptions, some of the most commonly occurring exemptions are described below. Other less commonly occurring exemptions are available and described in Chapter 11 of the Texas Property Tax Code.

Residential Homestead:

The following chart represents the total exemption amounts available to homeowners in this district who qualify for the exemption.

Exemptions	Exempt Amount/%	Provision
Fredericksburg ISD		
Homestead	\$25,000	Mandated by State Law
Over 65/Disabled Person	\$10,000 + Tax Ceiling/Freeze	Mandated by State Law
Harper ISD		
Homestead	\$25,000	Mandated by State Law
Over 65/Disabled Person	\$10,000 + Tax Ceiling/Freeze	Mandated by State Law
Doss CCSD		
Homestead	\$25,000	Mandated by State Law
Over 65/Disabled Person	\$10,000 + Tax Ceiling/Freeze	Mandated by State Law
Gillespie County		
Over 65/Disabled Person	Tax Ceiling/Freeze	Option Granted by Entity
City of Fredericksburg		
Over 65/Disabled Person	Tax Ceiling/Freeze	Option Granted by Entity
Hill Country Underground Water Conservation District		
Freeport (Inventory)	Freeport %	Option Granted by Entity
Gillespie WCID		
Freeport (Inventory)	Freeport %	Option Granted by Entity
Disabled Veteran Exemptions for all Taxing Units		
Percentage Disability	Exemption Amount	Provision
10-29%	\$5,000	Mandated by State Law
30-49%	\$7,500	Mandated by State Law
50-69%	\$10,000	Mandated by State Law
70-100%	\$12,000	Mandated by State Law
100% Disabled	Total Residence Exempt (All Taxing Units)	Mandated by State Law

For school tax purposes, the over 65, disability, surviving spouse, and 100% disabled veteran residential homestead exemptions create a tax ceiling prohibiting increased taxes on the homestead of existing structures, (any/all new improvements added to the home site will cause the ceiling to be readjusted factoring in the new improvements market value, and then reset in the subsequent tax year).

All homeowners who qualify for the residential homestead exemption are subject to the placement of a homestead cap on their qualifying property which limits the increase of taxable value on the homestead property to ten (10%) percent a year. However, the market value will be reflective of the local real estate market.

Disabled Veterans:

In addition to the residential homestead exemption allowable to disabled veterans with a 100% service-connected disability (as described above), disabled veterans are allowed a general exemption on any property they own based upon the percentage rating as determined by the Department of Veteran's Affairs. Current exemption amounts, as based upon these ratings are shown in the chart below:

Percentage Disability	Exemption Amount
10-29%	\$5,000
30-49%	\$7,500
50-69%	\$10,000
70-100%	\$12,000

Below is a chart showing the total value exempted for each exemption for each entity in Gillespie County for the 2020 appraisal year.

Gillespie Central Appraisal District Partial Exemptions by Taxing Unit for 2020			
Entity	Exemption	Number of Exemptions	Total Exempted Assessed Value
Doss CCSD	DV2	1	\$12,000
	DV4	2	\$24,000
	HS	80	\$1,978,600
	OV65	54	\$535,040
Fredericksburg ISD	DP	73	\$715,480
	DV1	95	\$1,038,000
	DV1S	8	\$35,000
	DV2	49	\$538,500
	DV2S	6	\$45,000
	DV3	36	\$394,560
	DV3S	5	\$50,000
	DV4	59	\$695,990
	DV4S	4	\$48,000
	HS	6458	\$158,995,663
	OV65	3709	\$36,412,149
	OV65S	151	\$1,490,000
Harper ISD	DP	21	\$195,000
	DV1	15	\$173,000
	DV1S	2	\$10,000
	DV2	7	\$67,340
	DV2S	2	\$15,000
	DV3	16	\$180,000
	DV3S	1	\$10,000
	DV4	13	\$132,720
	HS	1007	\$24,651,803
	OV65	575	\$5,571,496
OV65S	15	\$150,000	
Stonewall WCID	DV1	2	\$24,000
	DV2	1	\$12,000
	DV3	2	\$24,000
	DV4	1	\$12,000

Entity	Exemption	Number of Exemptions	Total Exempted Assessed Value
Gillespie County	DV1	110	\$1,211,000
	DV1S	10	\$50,000
	DV2	57	\$617,840
	DV2S	8	\$60,000
	DV3	52	\$578,430
	DV3S	6	\$60,000
	DV4	74	\$852,710
	DV4S	4	\$48,000
City of Fredericksburg	DV1	40	\$440,000
	DV1S	5	\$25,000
	DV2	21	\$216,000
	DV2S	3	\$22,500
	DV3	18	\$206,000
	DV3S	2	\$20,000
Hill Country UWCD	DV1	110	\$1,211,000
	DV1S	10	\$50,000
	DV2	57	\$617,840
	DV2S	8	\$60,000
	DV3	52	\$578,430
	DV3S	6	\$60,000
Gillespie WCID	DV1	110	\$1,211,000
	DV1S	10	\$50,000
	DV2	57	\$617,840
	DV2S	8	\$60,000
	DV3	52	\$578,430
	DV3S	6	\$60,000
	DV4	74	\$852,710
	DV4S	4	\$48,000

DP: Disabled Person	DV3S: Disabled Veteran 3 Surviving Spouse (Disability Rating of 50% to 69%)
DV1: Disabled Veteran 1 (Disability Rating of 10% to 29%)	DV4: Disabled Veteran 4 (Disability Rating of 70% to 100%)
DV1S: Disabled Veteran 1 Surviving Spouse (Disability Rating of 10% to 29%)	DV4S: Disabled Veteran 4 Surviving Spouse (Disability Rating of 70% to 100%)
DV2: Disabled Veteran 2 (Disability Rating of 30% to 49%)	HS: Homestead Exemption
DV2S: Disabled Veteran 2 Surviving Spouse (Disability Rating of 30% to 49%)	OV65: Age 65 or Older Exemption
DV3: Disabled Veteran 3 (Disability Rating of 50% to 69%)	OV65S: Age 65 or Older Exemption Surviving Spouse

State Comptroller PTAD Studies

According to Section 5.10 and 5.102 of the Texas Property Tax Code, the State Comptroller’s Property Tax Assistance Division (PTAD) shall conduct two reviews/studies of appraisal districts. These PTAD reviews/studies have an alternating cycle in which one year the PTAD conducts a Property Value Study (PVS) and the following year a Methods & Assistance Program (MAP) review.

The PVS determines the degree of uniformity and median level of appraised value ratios within certain state categories, for each appraisal district. It also determines the taxable value of property for each school district in regards to school funding. In conducting the study, the comptroller applies appropriate standard statistical analysis techniques to data collected as required by Section 403.302, of the Government Code. A PVS was conducted for the 2019 appraisal year, though the results are unavailable at this time, previous year’s results are shown below.

The MAP reviews the governance of the appraisal district, taxpayer assistance, and the appraisal standards, operating procedures, and methodology used by each appraisal district. The areas of study remain the same year to year, but the specific questions, number of questions, documentation requested, and scoring system do change. Pre-2014, the highest score possible was ‘Exceeds’, determined by a score exceeding 89 in each MAP review category. From 2014 to present a score between 90-100 was considered a ‘Meets’ and a ‘Meets All’ determination was reserved for a 100 score. A MAP review was conducted for the 2018 appraisal year, with the results shown below.

Prior Property Value Study (PVS) Results			
	<u>2015</u>	<u>2017</u>	<u>2019</u>
Median Level of Appraisal for District	0.99	0.99	1.00
Coefficient of Diversion for District	12.7	12.97	10.02
Methods and Assistance Program (MAP) Results			
	<u>2014</u>	<u>2016</u>	<u>2018</u>
Governance	Meets All	Meets All	Meets All
Taxpayer Assistance	Meets	Meets All	Meets All
Operating Procedures	Meets All	Meets	Meets All
Appraisal Standards, Procedures, and Methodology	Meets All	Meets All	Meets All

2019 Legislative Changes

The Texas Legislature meets in odd-numbered years. There were significant Texas Property Tax Law changes made during the 2019 session. The changes are explained in the booklet “Texas Property Tax Law Changes 2019” (<https://comptroller.texas.gov/taxes/property-tax/docs/96-669.pdf>) published by the Property Tax Assistance Division of the Texas Comptroller of Public Accounts.

The following is a summary of legislative changes made during the 86th session of the Texas Legislature to the Texas Property Tax Code, which may affect Gillespie County. It is organized by chapter of the Tax Code. This summary is courtesy of Sands Stiefer of Olson & Olson, LLP.

Chapter 1. General Provisions

SB 1943 Relating to the ad valorem taxation of heir property. This bill amends various Sec. 1.07 to define “heir property” as inherited property on which one or more of the heirs claims a residence homestead. Effective 9/1/19.

SB 1856 Relating to the payment of certain ad valorem tax refunds. This bill adds Sec. 1.071, Tax Code, providing that collectors must deliver tax refunds for a person to the mailing address listed on the appraisal roll or to another address if the person files a written request with the collector or taxing unit for the refund to be sent to the other address. The bill amends Secs. 11.431(b), 11.439(b), 26.112(b), 26.1125(b), and 26.1127(b), Tax Code, to provide that refunds pursuant to those sections are owed to the person who was the owner of the property on the date the tax was paid. Effective 9/1/19.

SB 2 Omnibus property tax reform. Adds Sec. 1.045, providing that references in law to effective maintenance and operations rate, effective rate, and rollback rate are references to the no-new revenue (used to be effective) and voter-approval (rollback) tax rates defined in Chapter 26. Sec. 1.085 is amended to include information requested under Sec. 41.461(a)(2) (protest evidence). Adds new Sec. 1.086, requiring the chief appraiser to deliver notices related to changes in value and exemptions by email if a property owner requests electronic delivery in writing and provides an email address. The chief appraiser must send a confirmation email to the email address before sending notices. Electronic delivery continues until the owner revokes it in writing. The chief appraiser must add a form for requesting electronic delivery to the CAD website if it maintains one. Sec. 1.085 is amended to conform. Effective 1/1/2020

Chapter 5. State Administration

SB 2 Omnibus property tax reform. New Sec. 5.01 creates a new property tax administration advisory board for the comptroller. The comptroller appoints the board. Advice must be provided at a meeting appointed by the comptroller. Chapter 220, Gov’t Code, dealing with state advisory committees, does not apply to the board. Sec. 5.041 is amended to require a minimum of 8 hours for the comptroller’s first year ARB training course and 4 hours for the continuing education course. Allows the comptroller to charge a fee not to exceed \$50 for each non-ARB member attending. Adds Sec. 5.043 to require the comptroller to promulgate an arbitration manual and establish a training program for arbitrators. The program must emphasize requirements for equal and uniform appraisal and be at least 4 hours in length. Training may be provided online. The comptroller may charge up to \$50 per person trained, and may contract with service providers other than CAD, ARB, or taxing unit employees or board members. Revisions to the arbitration manual may be made on request, but must be unanimously approved by a comptroller selected committee consisting of an equal number of taxpayers and chief appraisers. Sec. 5.05 is amended to require CADs to comply with any appraisal manuals that the law requires the comptroller to prepare and issue. Such manuals must be prepared based on generally accepted appraisal methods and techniques. Sec. 5.07 is amended to require the comptroller to prescribe tax rate calculation forms in accordance with the requirements of that section. Forms may be revised on request, but revisions must be approved by a comptroller appointed committee of taxpayers, taxing units, and assessors. Meetings of such a committee are not governed by the open meetings act. Sec. 5.09 is amended to add special districts to the entities for which the comptroller biennially reports appraised values and tax rates. The comptroller must prescribe the format for CADs and taxing units to submit information, and must review information submitted. Sec. 5.091 is amended to add school districts to the taxing units for which the comptroller maintains a statewide list of tax rates. CADs are

required to report the rates, and the comptroller must prescribe the manner and deadline for reporting. The publication deadline is changed from December 31 to January 1 of the following year. Secs. 5.102 and 5.13 are amended to include compliance with comptroller prescribed appraisal manuals in MAP reviews and audits, respectively. Sec. 5.104 is added to prescribe contents and procedures for a comptroller survey of appraisal review board participants. CADs must provide a notice of the availability of the survey including specified information at or before the first hearing on a motion or protest and with each order delivered. The ARB must provide verbal notice to the owner or agent at or before the first hearing. Only one notice is required for hearings occurring for the same owner or agent on the same day. CADs may not require completion of the survey at the CAD office. The comptroller must issue an annual report on the survey. Secs. 5.103(e) and (f) are repealed. Effective 1/1/2020.

HB 3384 Relating to the authority of the comptroller to conduct a limited-scope review of an appraisal district located in an area declared by the governor to be a disaster area. This bill amends Sec. 5.102, Tax Code, to allow the comptroller to conduct a limited scope review rather than a full MAP review in an appraisal district meeting disaster related eligibility requirements. The CAD must have territory in a governor declared disaster area for the tax year in question, the chief appraiser must request the limited scope review, and the comptroller must determine that the disaster destroyed or made the CAD building inaccessible or damaged to the extent it is unusable for at least 30 days; the CAD's records or computer system are destroyed or unusable for at least 30 days; or the CAD does not have the resources to undergo a full review due to extraordinary circumstances. The comptroller may establish procedures by rule after consultation with its advisory committee. Effective 6/7/2019.

HB 4170 Omnibus Corrections. Amends Sec. 5.102 to change references to Board of Tax Professional Examiners to TDLR. Effective 9/1/2019.

SB 1943 Relating to the ad valorem taxation of heir property. This bill adds Sec. 5.061 to require the comptroller to electronically publish a pamphlet to assist owners of such property in applying for homestead exemptions. Effective 9/1/19.

SB 2 Omnibus property tax reform. Sec. 6.035 is amended to reduce the wait time for a retired agent to serve on a CAD board from five to three years. New Sec. 6.054 bars a CAD from employing a taxing unit officer or employee. Sec. 6.15 is amended to allow CAD board members to transmit complaints from property owners to the chief appraiser if they do so in writing and without comment. New Sec. 6.16 allows a chief appraiser to maintain a list of licensed brokers, agents, real estate appraisers, and property tax consultants who have designated themselves as willing to provide free assistance to homeowners. If a chief appraiser maintains a list, it must be provided to property owners on request and the chief appraiser must prescribe a form for persons to designate themselves as willing providers. Sec. 6.41 is amended to require the appointment of "special" ARB panels in counties of 1 million or more. Sec. 6.412 is amended to bar 2d and 3d degree relatives of an ARB member from serving on the ARB and to provide that members in a county of more than 120,000 who have served all or part of three previous terms as a board member or auxiliary member may not be reappointed. Sec. 6.42 is amended to provide that the local administrative district judge selects the chair and secretary of the appraisal review board. Concurrence of a majority of ARB members or panelists, as applicable, is sufficient for decisions. New Sec. 6.425 provides for the implementation of special ARB panels. These panels hear protests of properties valued at \$50 million or more for the 2020 tax year. The comptroller establishes minimum eligibility in subsequent years. Special panels have three members and are appointed to the panel by the ARB chair. To be eligible an ARB member must possess a JD or MBA degree, be a licensed CPA or an accredited senior appraiser or MAI, have the IAAO's CAE designation, possess at least 10 years experience in property tax appraisal or consultant, or be licensed as a real estate broker or sales agent. If the administrative district judge has not appointed a sufficient number of credentialed individuals, the chairman may appoint any member who has at least a bachelor's degree to a special panel. Special panels may hear protests on other property as assigned by the chair. Sec. 6.412(e) is repealed. Effective 1/1/2020 except the following provisions take effect 9/1/2020:

- (1) Sections 6.41(b) and (d-9), Tax Code, as amended;
- (2) Sections 6.41(b-1), (b-2), and (d-10), Tax Code, as added;
- (3) Section 6.414(d), Tax Code, as amended;
- (4) Section 6.425, Tax Code, as added.

HB 2179 Relating to the grounds for imposing certain sanctions on certain persons for engaging in certain conduct in connection with the appointment of members of or the functions of appraisal review boards. This bill amends Sec. 6.41 to delete the clear and convincing standard for removal of an ARB member for evidence of repeated bias or misconduct and allow a property owner or a tax consultant to communicate directly with the administrative district judge regarding removal of an ARB member. Effective 9/1/19

Chapter 11. Taxable Property and Exemptions

HB 2441 Relating to the entitlement of a person who is disabled and elderly to receive a disabled residence homestead exemption from ad valorem taxation from one taxing unit and an elderly exemption from another taxing unit. This bill amends Sec. 11.13(h), Tax Code to provide that a qualified disabled and elderly person may choose either exemption if a taxing unit offers both, but may still qualify for whichever exemption a taxing unit offers if the unit does not offer both exemptions. Effective 1/1/2020.

SB 443 Five-year homestead exemption for uninhabitable property. This bill amends Sec. 11.135 by adding new (a-1) to provide that the two year deadline for commencing construction to retain the homestead exemption on uninhabitable property is extended to five years if the property is located in a disaster area declared by the governor and the property is uninhabitable or unusable because of the disaster. Effective 6/14/2019.

HB 1526 Relating to the treatment of a nursery stock weather protection unit as an implement of husbandry for ad valorem tax purposes. This bill amends Sec. 11.161, Tax Code, to include a nursery stock weather protection unit as an implement of husbandry. Nursery stock weather protection unit means a plant cover consisting of a series of removable, portable metal hoops, covered by nonreusable plastic sheeting, shade cloth, or other similar removable material, used exclusively for protecting nursery products from weather elements. Effective 1/1/20.

SB 58 Exemption of motor vehicles leased to state or charitable organization. This bill amends Sec. 11.252, Tax Code, to allow exemption of vehicles leased to the state or to a 501(c)(3) exempt organization. Effective 9/1/2019

SB 2 Omnibus property tax reform. Sec. 11.24 is amended to require a governing body to give five years' notice before repealing or reducing a historic site exemption unless the owner consents to the action. Sec. 11.4391 is amended to change the Freeport exemption application deadline to the later of June 15 or, if applicable, the 60th day after notice of a requirement to file a rendition or report is delivered to the owner under Sec. 22.22. Effective 1/1/2020.

HB 1313 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. This bill amends Sec. 11.26 to provide that surviving spouses of disabled or 65 or over persons who qualify for exemption under Sec. 11.13(c) retain the tax ceiling. If the spouse died before January 1, 2020, the ceiling is calculated as if the surviving spouse "was entitled to the limitation when the individual died." Effective 1/1/20. Comment: the surviving spouse amendment may require constitutional amendment.

HB 492 Temporary exemption for disaster damaged property. This bill repeals the current disaster reappraisal provision (Sec. 23.02) and replaces it with a local option temporary exemption. New Sec. 11.35 applies to business personal property and to improvements to real property, including manufactured homes, located in a governor-declared disaster area. The property must be at least 15% damaged, and, for business personal property, be the subject of a rendition or report establishing situs in the area for the disaster year. The exemption is mandatory if the taxing unit has not adopted its tax rate on the date the governor declares the disaster, and local option if the disaster is declared on or after the date the rate is adopted. Procedures and deadlines for adopting the exemption are specified. Four tiers of exemption, ranging from 15 to 100 percent, are authorized depending on degree of damage. The exemption is prorated to the date of disaster declaration. Provisions for corrected bills and refunds are specified. Owners must apply not later than 105 days after the date of the disaster declaration if the exemption is mandatory, and 45 days after the date the exemption is adopted by the governing body if the exemption is local-option. A notice of the chief appraiser's action on an application is required within five days after determination including notice of approval. The notice must include the damage assessment rating assigned to each item of qualified property and an explanation of the procedures for protest. A protest must be filed not later than the 30th day after the date the property owner

receives the notice. Sec. 41.41 is amended to provide that the property owner may protest only modification or denial of an application or the determination of the appropriate damage assessment rating. A taxing unit may not challenge the grant of an exemption. § 403.302 government code is amended to conform. Applies only to tax years beginning on or after the effective date. *Effective: 1/1/20 contingent on constitutional amendment (HJR 34).*

HB 2859 Relating to the exemption of precious metals held in a depository in this state from ad valorem taxation. Would add Sec. 11.35, Tax Code, exempting “precious metals” that are held in a commercial depository, from taxation. Precious metal is defined by reference to the Government Code to be “a metal, including gold, silver, platinum, palladium, and rhodium, that: (A) bears a high value-to-weight ratio relative to common industrial metals; and (B) customarily is formed into bullion or specie. Effective 1/1/2020 contingent on constitutional amendment (HJR 95)

SB 1856 Relating to the payment of certain ad valorem tax refunds. This bill adds Sec. 1.071, Tax Code, providing that collectors must deliver tax refunds for a person to the mailing address listed on the appraisal roll or to another address if the person files a written request with the collector or taxing unit for the refund to be sent to the other address. The bill amends Secs. 11.431(b), 11.439(b), 26.112(b), 26.1125(b), and 26.1127(b), Tax Code, to provide that refunds pursuant to those sections are owed to the person who was the owner of the property on the date the tax was paid. Effective 9/1/19.

SB 1943 Relating to the ad valorem taxation of heir property. This bill amends Secs. 11.13(h), 11.26, 11.261, and 11.41 to allow an heir who claims the property as a residence homestead to qualify as if the owner were the sole owner of the property. Sec. 11.43 is amended to conform and to allow a person not named in a deed to provide a variety of specific evidence of ownership. New Sec. 11.49 provides that grant of a homestead exemption does not operate to transfer title to property and provides that the chief appraiser, ARB, or county assessor-collector may not be made party to any action over the title. Effective 9/1/19.

Chapter 21. Taxable Situs

HB 1815 Relating to the deadline for filing an application for an allocation of the value of certain property for ad valorem tax purposes. This bill amends Sec. 21.09 to change the deadline for filing an allocation application from April 1 to May 1. Effective 1/1/2020.

Chapter 22. Renditions and Other Reports

SB 2 Omnibus property tax reform. Sec. 22.23(d) is amended to require extension to May 15 upon request and allow a further extension of up to 15 days for good cause for a rendition or report from a property owner regulated by the PUC, RRC, Surface Transportation Board, or FERC. Sec. 22.23(c) is repealed. Effective 1/1/2020.

Chapter 23. Appraisal Methods and Procedures

SB 2 Omnibus property tax reform. New subsection (h) for Sec. 23.01 provides that appraisal methods and techniques included in the most recent versions of the Appraisal of Real Estate, the Dictionary of Real Estate Appraisal, USPAP, and a publication that includes information related to mass appraisal are considered generally accepted appraisal methods and techniques. Effective 1/1/2020.

HB 1313 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. The bill amends Sec. 23.01(e), Tax Code, to change the evidence standard for increasing a previously reduced value from “substantial” to “clear and convincing.” Also changes “following tax year” to “next tax year in which the property is appraised.” Applies to tax years on or after the effective date. Effective 1/1/20.

HB 4170 Omnibus Corrections. Renumbers Sec. 23.524 (Oil and Gas Operations on Land added by HB 3198, 85th legislature) as 23.525. Effective 9/1/2019.

HB 492 Temporary exemption for disaster damaged property. This bill repeals the current disaster reappraisal provision (Sec. 23.02) and replaces it with a local option temporary exemption. *Effective: 1/1/20 contingent on constitutional amendment (HJR 34).*

SB 812 Relating to the application of the limit on appraised value of a residence homestead for ad valorem tax purposes to an improvement that is a replacement structure. This bill amends Sec. 23.23(g), Tax

Code, to change the definition of disaster recovery program to “the disaster recovery program administered by the General Land Office or by a political subdivision of this state that is funded with community development block grant disaster recovery money authorized by federal law.” The general land office and political subdivisions that administer such a program are required to prepare lists of replacement structures described by Sec. 23.23(g) that have been constructed since January 1, 2018 and provide them to the chief appraiser. The chief appraiser is to correct or supplement appraisal records as appropriate for the current year, deliver corrected appraisal notices to affected property owners if required, and notify assessors of corrections or supplements approved for the current year within 60 days or as soon after receipt of a list as practicable. Assessors and collectors must deliver corrected bills if bills have already been delivered, and collectors must refund paid taxes as applicable. Effective 5/2/2019.

HB 1254 Eligibility land secured by home equity loan. Repeals Sec. 23.42(a-1), Tax Code, which currently prohibits land that secures a home equity loan from qualifying for 1-d appraisal. Effective 1/1/2020.

HB 639 Adds prior use requirement for ecological laboratory open-space land. This bill amends Sec. 23.51(1) to require that land used principally as an ecological laboratory must have been used principally in that manner by the college or university for five of the preceding seven years to qualify for agricultural appraisal. For properties that first qualified before 2014, the change is effective for the 2021 tax year. For land that first qualified in 2014 -2020, the effective date is deferred until January 1, 2027. *Effective: 1/1/2020*

HB 1743 Relating to the additional ad valorem tax and interest imposed as a result of a change of use of certain land. This bill amends Secs 23.55 and 23.76, Tax Code, to reduce the rollback period for open-space and timber land respectively from five years to three years and to reduce the annual interest rate from seven percent to five percent. Applies only to a change in use of land appraised under Subchapter D or E that occurs on or after the effective date. Effective 9/1/19.

HB 1409 Qualification of land appraisal for ad valorem taxation. Amends Secs. 23.72, and 23.9802, Tax Code, to provide that roads, rights of way, buffer areas, firebreaks, or land subject to a right of way taken by eminent domain do not disqualify land for consideration as timber land, and are considered to be qualified providing the remainder of the parcel qualifies. Adds Sec. 23.765, providing that oil and gas operations do not disqualify land if the remaining land continues to qualify. Makes conforming amendments to Subchapter H. Effective 9/1/2019.

Chapter 25. Local Appraisal

HB 2159 Relating to the correction of an ad valorem tax appraisal roll. This bill amends Sec. 25.25(d) to permit correction of over-appraisal by more than ¼ if the property qualifies as the owner’s residence homestead. Applies to motions filed on or after the effective date. Effective 6/14/2019

HB 2446 Relating to the availability of personal information of firefighters, volunteer firefighters, and emergency medical services personnel. Would reenact Sec. 25.025(a), Tax Code, to conform various amendments from the previous session and to add firefighters, volunteer firefighters, and emergency medical services personnel to the list of those who may keep appraisal and tax roll information confidential. Effective 6/14/2019.

HB 4170 Omnibus Corrections. Amends Sec. 25.025(a) to renumber second paragraph (6) (victims of assault, abuse, stalking, trafficking) as (7) and renumber the remaining paragraphs. Effective 9/1/2019.

SB 2 Omnibus property tax reform. Sec. 25.19 is amended to delete the requirement that estimated taxes be included on certain notices and to add a description of the right to special panel hearings where applicable. Sec. 25.19(b-2) is repealed. New Sec. 25.192 provides for a detailed notice concerning eligibility for residence homestead exemptions. The chief appraiser must send the notice to owners whose address is the same as the address of a residential property that does not have a homestead exemption. Language for the notice is specified by the Section, and the chief appraiser must include a homestead exemption application form. If the owner has elected to receive email notices, the notice must be sent separately from other notices. No deadline is specified for delivery of the notice. New Sec. 25.193 requires the chief appraiser to send a clear and understandable notice to the owner of a single-family residence if an exemption or partial exemption approved in the preceding year has been canceled or reduced for the current year. This notice must be delivered by April 1 or as soon as practicable for qualified residence homesteads, and by May 1 or as soon as practicable for residential property that does not qualify for exemption. If the owner has elected to receive email notices, the notice must be sent separately from other notices. Effective 1/1/2020,

except the following provisions take effect January 1, 2021: Sections 25.19(b-3) and (b-4), Tax Code, as added, and Sections 25.19(b) and (i), Tax Code, as amended, take effect January 1, 2022.

SB 662 Relating to the availability of personal information of a statewide elected official or member of the legislature. This bill amends Sec. 25.025, Tax Code to include statewide elected officials and members of the legislature on the list of persons who may request that their appraisal roll information be confidential. Effective 9/1/2019.

SB 2060 Relating to the contents of a notice of appraised value sent to a property owner by the chief appraiser of an appraisal district. This bill amends Sec. 25.19, Tax Code, to require the appraisal notice to include an explanation of each total or partial exemption available to disabled veterans and survivors, the elderly and disabled and their surviving spouses, survivors of armed forces members killed in action, and first responders killed on duty. Applies to notices for years beginning on or after the effective date. Effective 1/1/2020.

Chapter 26. Assessment

SB 2 Omnibus property tax reform. The Code is amended throughout to substitute “no-new-revenue rate” for “effective rate” and “voter-approved rate” for “rollback rate.” New Sec. 26.01(a)(1) requires a chief appraiser to certify an estimate of taxable value to each assessor by July 25 if the ARB has not approved the appraisal records by July 20. Sec. 26.012 is amended to define a “de minimis rate” as the sum of the no-new-revenue maintenance and operations rate, the debt rate, and a rate that would generate \$500,000 if applied to the current total value. The definition of “Last year’s levy” now includes taxes on the portion of taxable value that is the subject of an appeal under Chapter 42 on July 25 that is not in dispute. “Special taxing unit” is defined as a hospital district, junior college district, and any unit other than a school district proposing a maintenance and operations rate of 2.5 cents per \$100 or less. New Sec. 26.013 defines an “unused increment” rate. This rate is equal to the sum of the difference between the adopted and the voter-approved (or rollback) tax rate for each of the three preceding years. However, the difference is considered to be 0 for any year preceding 2020. Sec. 26.04 is extensively amended. The names of the rates are changed as previously described. The voter approval rate for a taxing unit that is not a special unit is the sum of the no-new-revenue maintenance and operations rate x 1.035, the current debt rate, and, in future years, the unused increment rate. For a special unit, the old formula of no-new-revenue maintenance and operations rate x 1.08 plus current debt rate is retained. The governing body of a taxing unit that has territory in a disaster area declared during the current tax year by the governor or president may use the voter-approved rate formula that applies for special taxing units (the old 8% increase formula). The unit may continue to use the special unit formula until the earlier of the second year in which value on the roll exceeds the value on January 1 of the year in which the disaster occurred, or the third year after the disaster occurred. If the chief appraiser certifies an estimate of value under new Sec. 26.01(a)(1), that estimate must be used to calculate the rates. The person designated to calculate rates must use comptroller prescribed forms, and must certify the accuracy of the calculations. The rates may not be submitted and the tax rate may not be adopted until the calculations are properly certified. The certification requirements do not apply to school districts. The designated person must submit the calculation forms to the county assessor for each county in which the unit has territory as soon as practicable. For taxing units other than school districts, the designated person must post notice of the rates prominently on the home page of the taxing unit’s website rather than delivering them by mail or publication in a newspaper. The comptroller prescribes the form of the notice consistent with requirements set out in Sec. 26.04. By August 7th or as soon after as practicable, the chief appraiser must deliver a notice regarding estimated taxes to each property owner. New subsection (e-2) specifies the contents. The comptroller prescribes the form, format, and delivery of the notice. The governing body must include the tax rate calculation forms as an appendix to its budget for the applicable fiscal year. In addition to existing injunctive relief, a property owner in the district may seek to enjoin adoption of the tax rate if the appraisal district has not complied with the notice requirements. Good faith failure to comply is a defense. The anticipated collection rate is the lower of the calculated rate or the lowest actual collection rate for any of the three preceding years. New Sec. 26.0442 provides a tax rate adjustment for county indigent defense expenditures, calculated as specified. Sec. 26.0443 provides a similar rate adjustment for certain eligible county hospitals. Sec. 26.05 is amended to require tax rate adoption to occur not later than the 71st day before the November Uniform Election Date if the unit adopts a rate higher than the voter-approval tax rate. The requirement for two

public hearings is reduced to one. New subsection (d-1) provides that taxing units other than school districts may not hold a public hearing until the 5th day after the chief appraiser has delivered the Sec. 26.04 notice and complied with Sec. 26.17(f). Failure to comply in good faith is a defense to a taxpayer injunction restraining collections for failure to comply. Such an injunction must be filed not later than 15 days after the rate is adopted. An owner who files action to enjoin collections is not required to pay taxes while the action is pending, and is entitled to a refund of taxes already paid, plus reasonable attorney fees and court costs if the owner prevails. No application for refund is required. The chief financial officer or auditor for the taxing unit must certify certain calculations related to additional sales tax, if the unit imposes one, to the governing body before adoption of a rate. Sec. 26.052 is amended to require publication of the simplified rate calculated under Sec. 26.052 on the home page of the taxing unit's web site. Sec. 26.06 is amended to require the single public hearing to be held on or after the 5th day following notice of the hearing. New language for the notice is specified in new subsections (b-1) – (b-4), notably including a statement in several places that the 86th legislature modified the rate calculation to limit the rate of growth of property taxes. The notice may be mailed or published in a newspaper, as is current law. If published, it must also be placed on the home page of the taxing unit's web site. The governing body may vote on the tax rate at the public hearing. If it does not, it must announce the time, date, and place of the meeting to vote at the public hearing. New Secs. 26.061, 26.062, and 26.063 specify language for notice of the meeting to vote on a tax rate for a taxing unit other than a school district. Sec. 26.07 is amended to make rollback elections automatic for taxing units other than school districts. The election is required when:

- A special taxing unit or a city with a population of 30,000 or more adopts a rate that exceeds the voter-approval rate;
- Any other taxing unit adopts a rate that exceeds the greater of its voter-approval rate or de minimis rate.

However, an election is not required in the year following a disaster if increased expenditures are necessary to respond to a disaster or other calamity, excluding a drought, and the governor has declared any part of the unit a disaster area.

The governing body must order the election to be held on the uniform November election date for the tax year. It must order the election no later than the 71st day before the election date. Language for the ballot proposition is specified in the Section. If the voters do not approve the proposition, the unit's tax rate is reduced to the voter-approval tax rate.

New Sec. 26.075 retains the petition-based election process for a taxing unit other than a special unit, school district, or city of 30,000 or more, and only where the unit's de minimis rate is higher than the voter-approval rate. If the unit adopts a rate that is less than or equal to the de minimis rate and higher than the voter-approval rate calculated either under the regular (3.5%) or special (8%) formula, voters can petition for an election. Requirements for the petition, timing, and election, are specified. New Sec. 26.16(d-1) requires the county assessor-collector to post on the county website for each taxing unit with territory in the county, the tax rate calculation forms for the most recent five tax years beginning with 2020 and the name and official contact information for each member of each governing body. New subsection (d-2) requires the rate calculation forms to be posted by August 7 or as soon after as practicable. New Sec. 26.17 requires the appraisal district to maintain a database of property tax rate information. The contents and format are specified in Sec. 26.17. The officers and employees designated by taxing units in the CAD to calculate rates enter the rate information in the database. The information must be publicly accessible and searchable by address and owner except as restricted. Principally, the database will display the taxes that will be imposed on an owner's property under the no-new revenue rate and the proposed tax rate, or the equivalent rates for a school district, along with the difference. The database will also include the date, time, and location of public hearings and meetings, and an email address for comments and opinions regarding the tax rates. The chief appraiser must make the information available by the 3d day it is entered into the database. New Sec. 26.18 requires each taxing unit to maintain or have access to a website. The unit must post specified information concerning the governing body and contact information, the unit's budgets for the past two and current years, and various other information. Generally effective 1/1/2020; however: Two sections of the bill take effect June 12, 2019. Sec. 106 requires taxing units to submit 2015-2019 rate calculation sheets to the county assessor, and the county assessor to publish those on the county's website, within 30 days of the date the bill takes effect. Sec. 118 requires the comptroller to notify CADS of deadline changes made by the bill within 30 days of the date the bill takes

effect. The chief appraiser must forward the notice to assessors. The following provisions take effect January 1, 2021:

- (1) Sections 26.04(d-1), (d-2), (d-3), and (e-5), Tax Code, as added;
- (2) Sections 26.04(e-1) and (g), Tax Code, as amended; and
- (3) Section 26.05(e), Tax Code, as amended.

Sec. 105 of the bill requires CADs of 200,000 or more to comply with Sections 26.04(e-2), 26.05(d-1) and (d-2), 26.17, and 26.18 beginning with the 2020 tax year. Smaller CADs must comply beginning with 2021. The bill makes conforming amendments to the Health and Safety Code, Local Government Code, Special District Local Laws Code, and Water Code. The bill repeals Sections 403.302(m-1) and (n), Government Code; Section 140.010, Local Government Code; Section 1063.255, Special District Local Laws Code; Sections 5.103(e) and (f), 6.412(e), 22.23(c), 25.19(b-2), 41A.06(c), and; Section 49.236, Water Code, as added by Chapter 248 (H.B. 1541), Acts of the 78th Legislature, Regular Session, 2003; Section 49.236(d), Water Code, as added by Chapter 335 (S.B. 392), Acts of the 78th Legislature, Regular Session, 2003; and Section 49.2361, Water Code.

HB 3 Relating to public school finance and public education. The bill amends Sec. 26.08 to incorporate changes in school funding formulas. The voter-approval (formerly rollback) tax rate formula is redefined. The bill provides that if a district increases expenditures following a disaster without a ratification election, the tax rate applies only for that year and increased amounts are not factored into following years' rate calculations. Ratification elections are required to be held on the next uniform election date that occurs after the date of the election order and allows sufficient time to comply with requirements of other law. Language for the ballot is revised. New Sec. 26.151 requires home mortgage lenders to consider the effect of HB 3 in calculating the borrower's property tax escrow payments. Effective 1/1/2020.

SB 2083 Relating to the calculation of the ad valorem taxes imposed on property for the year in which the property is acquired by a governmental entity. This bill amends Sec. 26.11, Tax Code, to provide for proration of taxes when a governmental entity takes possession of taxable property under a possession and use agreement or under Sec. 21.021, Tax Code. Effective 6/10/2019.

SB 1856 Relating to the payment of certain ad valorem tax refunds. This bill amends Secs. 11.431(b), 11.439(b), 26.112(b), 26.1125(b), and 26.1127(b), Tax Code, to provide that refunds pursuant to those sections are owed to the person who was the owner of the property on the date the tax was paid. Effective 9/1/19.

Chapter 31. Collections

HB 1883 Relating to deferred payment of ad valorem taxes for certain persons serving in the United States armed forces. This bill amends Sec. 31.02(b) and (c), Tax Code, to delete the current limit that eligible service members may defer tax payments only during a war or national emergency. This bill amends Sec. 33.01 to provide that a delinquent tax paid following the end of a subsection (b) deferral accrues interest at six percent a year and does not include a penalty. Effective 9/1/19

Chapter 33. Delinquency

HB 1885 Relating to the waiver of penalties and interest if an error by a mortgagee results in failure to pay an ad valorem tax. This bill amends Sec. 33.011, Tax Code, to authorize a governing body to waive penalty and interest where the tax bill is sent electronically to the mortgage company, the mortgage company fails to mail a bill to the owner, the owner is not required by the mortgage to escrow taxes, and the owner pays the tax within 21 days after the date the owner knew or should have known of the delinquency. Effective 1/1/2020

SB 1943 Relating to the ad valorem taxation of heir property. Secs. 33.06, and 33.065 are amended to provide that a qualified heir property owner is considered the sole owner of a residence homestead for purposes of these sections. Applies to tax years beginning on or after the effective date. Effective 9/1/19.

Chapter 34. Tax Sales

HB 2650 Relating to the procedure for the sale by auction of real property pursuant to foreclosure of a tax lien. This bill amends Sec. 34.01, Tax Code, to include a licensed auctioneer's commission and fees in calculating the costs of sale under that section. Effective 5/29/2019.

HB 1652 Relating to the public resale by means of a public auction using online bidding and sale of property purchased by a taxing unit at an ad valorem tax sale. This bill amends Sec. 34.05(d), Tax Code, to allow a commissioner's court to implement public auctions using online bidding and sale as described by Sec. 34.01(a-1). Effective 6/14/2019.

Chapter 41. Local Review

SB 2 Omnibus property tax reform. Sec. 41.03 is amended to remove a taxing unit's ability to challenge appraisal records on the basis of level of appraisal. Sec. 41.44 is amended to require protest forms to allow requests for property to be heard by special panels, if applicable.

Sec. 41.45 is amended to provide procedures for hearings by special panels. Notably, special panels can only hear protests for eligible property if the owner requests hearing by the special panel. Sec. 41.46 is amended to require the notice of a protest hearing to include a description of the subject matter of the hearing sufficient to identify the specific action protested, such as determination of appraised value, denial of exemption, or a determination that the owner's land does not qualify for special appraisal. Sec. 41.461 is amended to provide that the notice required by the section notify the owner that they are entitled on request to a copy of the data, schedules, formulas, and all other information that the chief appraiser will introduce at the hearing to establish any matter at issue. This amendment substitutes "will" for "plans to," which means the CAD should be prepared to reduce all of its evidence to writing. See the corresponding change to Sec. 41.67 described below. The chief appraiser may not charge for copies, irrespective of how prepared or delivered. The chief appraiser must deliver information requested by the owner or agent by first class mail to the address provided in the request for information, in an electronic format provided by an agreement under Sec. 1.085, or by directing the owner or agent to a secure website with user registration and authentication, or to an exact internet address on a website maintained by the CAD on which the requested information is identifiable and readily available. If the chief appraiser directs the owner or agent to a website, the notice must include a statement in conspicuous font that the owner or agent may receive the information by first class mail or in person at the appraisal office upon request. The chief appraiser must provide the information by mail or in person if the owner requests it. Sec. 41.47 is amended to provide that the board may not increase appraised value above the amount shown in the appraisal records. Exceptions are where requested and agreed to by the owner, or where the action under protest is cancellation, modification, or denial of an exemption or a determination that the owner doesn't qualify for agricultural or timber special appraisal. The ARB must include the Sec. 5.104 survey and instructions for completing it with the ARB order. The ARB must issue orders within 30 days of the hearing, except in Harris County, which has 45 days. The chief appraiser and the owner or agent may file a joint motion with the board requesting disposition of the protest by agreed order. The parties may specify that the order is appealable. The motion must contain the terms of disposition. The board must issue the agreed order within five days of filing. Sec. 41.66 is amended to insert "or designated agent of the owner" after owner where that is not specified. All hearings must be set for a time and date certain, whether or not the owner is represented by an agent. The owner or agent may make multiple requests for the ARB to schedule up to 20 designated properties consecutively on the same day. New subsection (j-1) allows the ARB to schedule all protests by an owner or designated agent of the owner to be held consecutively. The subsection states specific requirements for the notice and for rescheduling such hearings.

New subsection (j-2) requires a CAD to schedule hearings for protest filed by owners who are 65 or older, disabled, a military service member, a military veteran, or the spouse of a military service member or military veteran before scheduling a hearing on a protest filed by a designated agent of a property owner. New subsection (k-1) sets out procedures for requesting, scheduling, and conducting special panel hearings. New subsection (p) requires the ARB to provide the owner or agent with documents indicating that members of the board signed the hearing affidavit. Sec. 41.67 is amended to provide that information requested under Sec. 41.461 which was not delivered at least 14 days before the scheduled or postponed hearing may not be used or offered in any way, including as a document or through argument or testimony. The requirement does not apply to information offered to rebut evidence or argument presented at the hearing by the owner or agent. Sec. 41.71 is amended to require the ARB by rule to provide for hearings on Saturdays and after 5 pm on weekdays. Hearings may not be held on Sundays and the board may not schedule the first weekday protest to begin after 7 pm. Effective 1/1/2020, except the following provisions take effect September 1, 2020:

(1) Section 41.44(d), Tax Code, as amended;

- (2) Section 41.45(d), Tax Code, as amended;
- (3) Sections 41.45(d-1), (d-2), and (d-3), Tax Code, as added;
- (4) Section 41.66(k), Tax Code, as amended; and
- (5) Section 41.66(k-1), Tax Code, as added. Protests to special panels may be made on or after January 1, 2021.

HB 492 Temporary exemption for disaster damaged property. Sec. 41.41 is amended to provide that the property owner may protest only modification or denial of an application or the determination of the appropriate damage assessment rating. A taxing unit may not challenge the grant of an exemption. § 403. 302 government code is amended to conform. Applies only to tax years beginning on or after the effective date. *Effective: 1/1/20 contingent on constitutional amendment (HJR 34).*

HB 1313 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. The bill amends Sec. 41.41 to provide that neither a CAD nor an ARB may charge a fee in connection with a protest filed by the owner. Applies to tax years on or after the effective date. Effective 1/1/20.

HB 1060 Authority of a property owner to request that notice of a protest hearing before the appraisal review board be delivered by certified mail or electronic mail. This bill amends Sec. 41.46 to allow an owner to request delivery of notice of an ARB hearing by certified mail. The ARB could require the owner to pay the postage cost. Alternatively, the owner may request delivery by electronic mail if the owner requests email delivery in the notice of protest and provides an email address. Sec. 1.085 is amended to provide that an owner need not make an agreement under that Section to request electronic delivery of the hearing notice. *Effective. 9/1/19*

SB 2531 Relating to the disposition of an ad valorem tax protest by means of an agreed order. This bill amends Sec. 41.47, Tax Code, to require the appraisal review board to issue an agreed order disposing of a protest on joint motion of the property owner or agent and the chief appraiser. The parties may provide in the joint motion that the agreed order is appealable. The chairman must issue the agreed order within five days of the date the motion is filed, or if the chairman is unable to do so, the board must issue the order within 30 days. Applies to protests filed on or after the effective date. Effective 1/1/2020.

Chapter 41A. Appeal through Binding Arbitration

HB 1802 Relating to the deadline for filing a request for binding arbitration of certain appraisal review board orders. This bill amends Sec. 41A.03, Tax Code, to extend the filing deadline for arbitration from 45 days to 60 days. Sec. 41A.05 is amended to provide that the comptroller may not reject an application for binding arbitration unless the comptroller notifies the applicant of the defect in the application and the applicant fails to cure the defect within 15 days of notice. Reference to the applicant includes the applicant's representative if the person has retained one under Sec. 41A.08. Applies to applications received by the comptroller on or after the effective date. Effective 9/1/19.

SB 1876 Relating to a request for binding arbitration to appeal appraisal review board orders involving two or more contiguous tracts of land. This bill amends Sec 41A.03 to require a single arbitration deposit for contiguous tracts of land under the same ownership and to define contiguous tracts of land for the purposes of the subsection as tracts that are touching or share a common boundary as determined using CAD records or legal descriptions. Effective 6/10/2019.

SB 2 Omnibus property tax reform. Sec. 41A.03(a-1) is amended to allow the owner to pay a single arbitration deposit for contiguous tracts of land that she owns. "Contiguous tracts of land" means improved or unimproved tracts of land that are touching or that share a common boundary, as determined using appraisal district records or legal descriptions of the tracts.

Sec. 41A.06(b) is amended to require arbitrators to complete both the comptroller training program for ARBs and the program for arbitrators. Arbitrators must maintain their credentials and complete revised comptroller training programs within 120th day after the course is available. The comptroller determines whether the program has been substantially revised.

Sec. 41A.07 is amended to remove county residence requirements for arbitrators and to change the waiting period for consultants, CAD employees, and others, to serve as arbitrators to two years. New subsection (h) allows owners to request appointment of arbitrators who reside in the county. The comptroller must comply

unless there is not an available arbitrator. In appointing substitute arbitrators, the comptroller must consider but need not comply with the request to appoint an in-county arbitrator. The section does not authorize a request for appointment of a specific arbitrator. Effective 1/1/2020.

Chapter 42. Judicial Review

HB 380 by Appeal of ARB determination that it lacks jurisdiction. This bill amends Sec. 42.01, Tax Code, to add a new ground for appeal. New subsection (E) allows an appeal on the basis that the ARB lacks jurisdiction over a protest or Sec. 25.25 motion because the owner did not exhaust administrative remedies. New paragraph (c) provides that an owner who establishes that the ARB had jurisdiction to issue a final determination of a protest or motion is entitled to determination of the protest or motion by the court on any ground available, irrespective of whether the owner included the ground in the owner's notice of protest. The bill adds Sec. 42.231, which applies to appeals of orders determining protests or 25.25 motions. It states that if a plea to the jurisdiction raises exhaustion of remedies, the court has the option to remand the case to the ARB "with instructions to allow the property owner an opportunity to cure the property owner's failure to exhaust administrative remedies." Such an action is considered a timely protest, and the determination of the protest may be appealed back to the remanding court. No jurisdictional plea on the basis of exhaustion may be raised on remand. The parties may agree, with approval of the court, to waive remand and have the court determine the appeal on the merits. If the parties waive remand each party is considered to have exhausted the party's administrative remedies. The bill applies to appeals filed on or after the effective date. *Effective:9/1/2019*

SB 2 Omnibus property tax reform. New Sec. 42.081 provides that taxing units may not file collection suits to collect a delinquent tax on property that is the subject of an appeal unless the court determines that the owner failed to comply with Sec. 42.08. Effective 1/1/2020.
Sec. 42.23(i) Tax Code is repealed effective September 1, 2019.

HB 861 Calculation of penalties and interest resulting from the final determination of an ad valorem tax appeal that changes a property owner's tax liability. This bill amends Sec. 42.42, Tax Code, to provide that the property owner is not liable for penalty and interest on the unpaid portion of taxes due following an appeal unless the owner does not pay the unpaid portion by the delinquency date for the supplemental tax bill. Effective 9/1/19

Chapter 312. Property Redevelopment and Tax Abatement Act

HB 3143 Relating to the Property Redevelopment and Tax Abatement Act. This bill amends Chapter 312, Tax Code, to require a governing body to hold a public hearing before changing or reauthorizing guidelines and criteria and to require chief appraiser to report the appraised value of affected property to the comptroller for the first three years of the agreement. The expiration date for Chapter 312 is extended to September 1, 2029. The public notice of a meeting at which a governing body considers approval of a tax abatement agreement must include the owner and the applicant's name, the name and location of the reinvestment zone, a general description of the nature of the covered improvements or repairs, and the estimated cost. Notice must be given in the manner required by Chapter 552, Government Code, except that the notice must be provided 30 days in advance. To be effective, an agreement must be approved by the governing body in the manner required for a city under Sec. 312.207. Effective 9/1/19.

The Gillespie Central Appraisal District strives to keep the citizens of Gillespie County and the surrounding areas informed about the Texas Property Tax System, either by news releases, publications, legislative changes and website updates. If you have any questions regarding your property, feel free to contact our office and we'll be glad to assist you in any way we can.

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