SB 2 Summary Text

Legislative Session: 86(R)

Senate Bill 2
Effective: See below

Senate Author: Bettencourt et al.
House Sponsor: Burrows et al.

Senate Bill 2, the Texas Property Tax Reform and Transparency Act of 2019, amends session law and the Tax Code, Government Code, Health and Safety Code, Local Government Code, Special District Local Laws Code, and Water Code to revise the manner by which the property tax rates of a taxing unit, other than a special taxing unit as defined by the bill, are set by:

- reducing the amount that the property tax revenue collected may increase year over year from eight percent to 3.5 percent;
- requiring voter approval of an adopted tax rate that exceeds that 3.5 percent cap;
- providing for the imposition of an amount of taxes equal to $500,000 before that cap applies; and
- providing for the rollover of unused revenue growth below the cap for up to three years.

Senate Bill 2 renames the rollback tax rate the voter-approval tax rate and renames the effective tax rate as the no-new-revenue tax rate. The bill provides for a tax rate adjustment for qualifying county indigent defense compensation expenditures and eligible county hospital expenditures.

Senate Bill 2 sets out and revises certain property tax notice requirements and provides for the delivery of certain of those notices by email. The bill sets out

and revises provisions relating to the public hearings to be held on a proposed tax rate and the process for adopting that rate.

Senate Bill 2 requires the chief appraiser of each appraisal district to create and maintain a database of certain property-tax-related information and requires each taxing unit to maintain a website, or have access to a generally accessible website, on which the taxing unit is required to post certain tax rate and budget information.

Senate Bill 2 authorizes the chief appraiser of an appraisal district to maintain a list of real estate brokers, sales agents, appraisers, and property tax consultants who have designated themselves as individuals who will provide free residential property owner assistance.

Senate Bill 2 requires the appraisal review board (ARB) for an appraisal district established in a county with a population of one million or more to establish special panels to conduct certain taxpayer protest hearings. The bill provides for the preparation and dissemination of an ARB survey that allows certain affected individuals to provide comments and suggestions to the comptroller of public accounts regarding an ARB and requires the comptroller to issue an annual report summarizing the information submitted during the preceding year.

Senate Bill 2 requires the comptroller to appoint a property tax administration advisory board to advise the comptroller and authorizes the advisory board to make recommendations to the comptroller regarding improving the effectiveness and efficiency of the property tax system, best practices, and complaint resolution procedures.

Senate Bill 2 provides for a more uniform and robust training program for persons who have agreed to serve as arbitrators in binding arbitrations of property tax appeals. The comptroller must approve curricula and provide an arbitration manual

and other materials for use in training and educating arbitrators, make all materials freely available online, and establish and supervise a training program on property tax law for such training and education. The bill requires an arbitrator to complete any revised training required by the comptroller before being able to renew the arbitrator's agreement to serve as an arbitrator and provides for the removal of a person from the registry of arbitrators for a failure to complete required training within the prescribed time frame.

Senate Bill 2 prohibits an individual from being employed by an appraisal district if the individual is an officer or an employee of a taxing unit that participates in the district and requires an appraisal district to appraise property in accordance with any appraisal manuals required by law to be prepared and issued by the comptroller. The bill requires the comptroller to prescribe uniform property tax rate calculation forms and provides for the incorporation of those forms into an appraisal district's database of property-tax-related information.

Senate Bill 2 authorizes an ARB to schedule the hearings on all protests filed by a property owner or the designated agent of the owner to be held consecutively and requires an ARB to schedule a hearing on a protest filed by a property owner who is 65 years of age 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. The bill prohibits an ARB from determining the appraised value of a property that is the subject of a protest to be an amount greater than the property's appraised value as shown in the submitted appraisal records, except as requested and agreed to by the property owner.

Senate Bill 2 takes effect January 1, 2020, except that:

· certain provisions relating to ARBs and taxpayer protest hearings take effect September 1, 2020;

· certain provisions relating to the appraisal and assessment process take effect January 1, 2021; and

- certain provisions relating to the notice of appraised value for a single-family residence that qualifies for a residence homestead tax exemption take effect January 1, 2022.

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