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Glenn Hegar

Texas Comptroller of Public Accounts

Handbook of Texas Property Tax Rules

December 2024

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**PROPERTY TAX RULES
TEXAS ADMINISTRATIVE CODE
TITLE 34. PUBLIC FINANCE
PART 1. COMPTROLLER OF PUBLIC ACCOUNTS
CHAPTER 9. PROPERTY TAX ADMINISTRATION**

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SUBCHAPTER A. PRACTICE AND PROCEDURE

9.101. Conduct of the Property Value Study

- (a) Definitions. The following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise.
- (1) Appraisal—A statement that estimates the market value or other legally required value of property.
 - (2) Appraisal ratio—The ratio of a property’s appraised value as determined by the appraisal office or appraisal review board (the County Appraisal District (CAD)) value, as applicable to:
 - (A) the sale price of the property; or
 - (B) an independent appraisal of the property, as applicable.
 - (3) Appraiser—A comptroller employee or contractor who conducts appraisals for the property value study.
 - (4) Assigned value—The value of property determined in the property value study.
 - (5) Coefficient of dispersion—The absolute average deviation of appraisal ratios in a sample from the median appraisal ratio for the sample, expressed as a percentage of the median.
 - (6) Comptroller—The Comptroller of Public Accounts or the Comptroller of Public Accounts’ designee.
 - (7) Confirm—A sale is confirmed when the comptroller has documented that the sale price for a property is correct.
 - (8) Documentary evidence—Writings such as letters, memoranda, appraisal records, or deeds.
 - (9) Local property—Property other than utility, industrial, mineral, or 1-d or 1-d-1 qualified agricultural property.
 - (10) Median appraisal ratio—The median level of appraisal is the median appraisal ratio of a sample of properties collected as part of the school district taxable value study in an appraisal district. The median appraisal ratio for a sample of properties is, in a numerically ordered list of the appraisal ratios for the properties:
 - (A) if the sample contains an odd number of properties, the appraisal ratio above and below which there is an equal number of appraisal ratios in the list; or
 - (B) if the sample contains an even number of properties, the average of the two consecutive appraisal ratios above and below which there is an equal number of appraisal ratios in the list.
 - (11) Price related differential—The price related differential is the mean of a property sample divided by the weighted mean of that sample.
 - (12) Property value study—The studies conducted by the comptroller in alternating or consecutive years pursuant to Government Code, §403.302 and Tax Code, §5.10, according to a coordinated schedule that ensures that CAD reviews required by Tax Code, §5.102 are conducted in years in which the studies of school districts within the CAD are not performed, except when consecutive year studies are mandated. The schedule of alternating studies and CAD reviews shall be determined by the comptroller.
 - (13) Random sample—A sample in which each item of the population has an equal chance of being included.
 - (14) Representative sample—Representative means composed of individual properties that collectively reflect the individual characteristics of the population from which they were drawn. A representative sample meets the requirements for operational representativeness set forth in the International Association of Assessing Officers’ Standard on Ratio Studies.
 - (15) Sale—A transfer of property for consideration.
 - (16) Sale date—The date on which a deed or other document transferring title to real property by sale is executed.
 - (17) Sample—A group of properties analyzed to determine characteristics of property in a school or appraisal district.
 - (18) School district split—Each portion of a school district located in different counties where properties are appraised by different appraisal districts.

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- (19) Stratification—Stratification divides the range of information for property in a district or property category into intervals and lists the number and CAD value of properties falling into each interval.
 - (20) Stratified weighted mean appraisal ratio—A stratified weighted mean appraisal ratio is calculated by separating the properties in a category sample into subcategories by value range or other property characteristics (strata) and determining the weighted mean appraisal ratio for each of the strata. The value of property in each of the strata is calculated by dividing the total CAD value by the weighted mean appraisal ratio. These individual market value estimates are then added to produce a market value estimate for the total category sample. The total CAD value of property in the category is then divided by the total category market value estimate to produce the stratified weighted mean ratio.
 - (21) Verify—A sale is verified when the comptroller has documented that a sale is a market value transaction as defined by Tax Code, §1.04(7).
 - (22) Weighted mean appraisal ratio—The weighted mean appraisal ratio is a number calculated by dividing the total CAD value of property in a sample by the total of corresponding sale prices or appraised values of property in that sample.
- (b) General statement of policy. The study constitutes a limited audit of the taxable value of property in the districts. The purpose of this section is to ensure that sufficient competent and relevant evidence affords a reasonable basis for the comptroller’s judgments and conclusions regarding the taxable value of property in a school district and the appropriate measures of appraisal level and uniformity in an appraisal district.
 - (c) General standard. Except where inconsistent with these sections, the Standard on Ratio Studies, International Association of Assessing Officers, is adopted by reference as a standard for the conduct of the property value study. For the purposes of ratio study design, including but not limited to stratification and sampling design, the requirements to apply appropriate standard statistical analysis techniques set out in Tax Code, §5.10(a) and to use generally accepted auditing and sampling techniques set out in Government Code, §403.302(a) and (b) are met by complying with the Standard on Ratio Studies.
 - (d) Changing appraisal methods. The comptroller will consult regularly with representatives of property owners, industries, appraisal firms, and other interested parties to keep abreast of changing appraisal methods.
 - (e) Selection of property studied. The accuracy of the estimate of taxable property value for each school district in this state shall be the primary consideration in determining the amount and category of property included in the study sample.
 - (1) The comptroller may determine whether a category or class of property in a school district is a major category or class of property to be included in the study on a case-by-case basis. To maximize accuracy or efficient use of resources, the comptroller may decline to sample or estimate category values or measures. If a category or class of property except land qualified for appraisal based on its productive capacity has an appraised value as determined by the CAD of 5.0% or less of the total appraised value of property in categories sampled in the study, the comptroller may decline to sample or estimate the value of that category or class of property.
 - (2) The comptroller may determine that a school district split does not have enough value to necessitate that a study be conducted in that portion of the school district. Except in cases where the school district has values split among multiple counties, the comptroller will study at least 85% of the total value for the school district in categories deemed to have enough value to sample.
 - (3) If the comptroller does not sample a school district split, a category of property in a school district, or a subcategory of property in a school district, the comptroller may calculate the district’s taxable value by using the district’s locally reported value to represent the value of the school district split, category, or subcategory not included in the sample.
 - (f) Taxpayer data. Owners of large unique or complex properties should be advised if these properties are included in the property value study. Taxpayers shall have the option of presenting data to the comptroller to verify the CAD value as representative of market value for inclusion in the study. The comptroller shall have the option of accepting the indicated market value for inclusion in the property value study.
 - (g) Determining taxable value. The taxable value of certain classes of property shall be determined according to the following appraisal methods:
 - (1) Agricultural land qualified for productivity appraisal. The comptroller may determine the productivity value of land qualified for productivity appraisal in a school district through direct appraisal. The staff shall estimate an average value per acre for each land class in each school district using information provided by published sources and by individuals knowledgeable concerning local agricultural conditions. The estimated average productivity value per acre shall be developed using the same methods applicable to appraisal districts under

§9.4001 of this title (relating to Valuation of Open-Space and Agricultural Lands). The estimated value per acre shall be applied to the total number of acres in each land class reported in the school district report of property value to determine the total value of property in each class. The sum of the values of each class is the total value of agricultural property receiving productivity appraisal in the school district.

- (2) Timber land qualified for productivity appraisal. The comptroller may determine the productivity value of land qualified for timber appraisal in a school district through direct appraisal. The staff shall estimate an average value per acre for each soil class and type of timber in each school district using information provided by published sources and by individuals knowledgeable concerning local timber production. The estimated average productivity value per acre shall be developed using the same methods applicable to appraisal districts under §9.4011 of this title (relating to Appraisal of Timberlands). The estimated value per acre shall be applied to the total number of acres in each soil class for each type of timber reported in the school district report of property value to determine the total value of property in each class. The sum of the values of each class is the total value of timber property receiving productivity appraisal in the school district.
- (3) Utility property. Utility samples in a school district are chosen using a method that ensures sampling dominant properties and other properties as appropriate. Utilities shall be valued using recognized unitary valuation methods, that may include one or more of the cost, income, and market (sales comparison or stock and debt) approaches. Utility unit values will be allocated using generally accepted allocation methods based on the best information available. Appraisers shall consider the effects of regulation, if applicable.
- (4) Industrial property. If the comptroller appraises an industrial property, the property shall be valued using generally accepted appraisal methods. If staff selects an industrial property sample, the property sample shall be selected without regard to whether the appraisal district performs its own industrial property appraisals.
- (5) Mineral property. Mineral samples in a school district shall be chosen using a method that ensures sampling dominant leases and a sample of other leases as appropriate. Minerals shall be appraised using generally accepted appraisal methods, emphasizing the income approach to value.
- (6) Local property. The comptroller shall make its determination of local property values on the basis of representative samples of property selected within school districts. Except as provided in this section, the comptroller shall select samples of properties based on the comptroller's judgment of the number and kind of properties required to be sampled to reasonably reflect the taxable value of property in each school district. The comptroller staff is not required to but may employ random sampling or other sampling procedures where feasible and appropriate.
 - (A) Estimated sample sizes shall initially be assigned by supervisory staff. The overall goal in setting the sample size is to obtain school district taxable values that are acceptably accurate and reliable. The sample size assigned for a particular category of property in a particular school district is based on the available comptroller time, the availability of current sales, variability of ratios, and the relative value of the category. A sample may be larger or smaller than the assigned sample if the school district's resulting taxable value is determined by supervisory staff to be acceptably accurate and reliable.
 - (B) Samples may include a combination of sales and appraisals that satisfies both size and representativeness requirements. However, a sample may consist of sales only or appraisals only. All meaningful property characteristics shall be considered in selecting non-random samples. The following guidelines should be followed in non-random selection:
 - (i) the sample should not be weighted in favor of sold properties that are appraised at a different level from unsold properties;
 - (ii) a sample should include properties from each primary geographic area, if the geographic area contains a significant number of the kind of property being tested and the property has significant value;
 - (iii) a sample should include improvements of varying ages;
 - (iv) sample selection should consider other property characteristics such as construction type, size, use, and business type, as required;
 - (v) stratification information should be used to ensure that samples are representative. If stratification data are unavailable, an appraiser should use informed judgment and knowledge of the area in a reasonable effort to ensure that samples are representative.

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- (C) Appraisers shall categorize sample properties as they are categorized by appraisal districts (Category A, B, C, etc.), unless the comptroller determines that a property or portion of property is categorized incorrectly, in which case the comptroller may move the value of the property into the correct category. The comptroller's decision to re-categorize property may be the subject of a protest provided by Government Code, §403.303.
- (D) Appraisers should develop a sales population to maintain a thorough knowledge of local markets and appraisal practices; and to provide a population of sales from which to select property samples. Appraisers should gather sales that occurred over as broad a time period as practicable and should gather sales from a variety of sources, such as appraisal districts, real estate professionals, title companies, financial institutions, courthouse records, and other reliable sources.
- (i) As a general rule, if an appraiser's sample size is less than all the sales within a relevant time period, the sales sample will be selected randomly. However, other sample selection methods may be used.
 - (ii) The appraiser must document the source of each sale included in the property value study. The appraiser must use codes to identify the source of each sale entered into the comptroller sale/appraisal system. The appraiser must maintain sufficient written documentation to permit source verification upon request.
 - (iii) The appraiser must confirm and verify at least 20% of the sales included in each category sample for each school district or school district split from sources other than the appraisal district.
 - (iv) Sales included in a sample must be market transactions. Market transactions are consistent with the definition of market value found in Tax Code, §1.04(7). For the purposes of that section, the term "price" means the most probable price. As provided in the Standard on Ratio Studies, International Association of Assessing Officers, transactions that may be non-arm's-length sales should be clearly identified and used only if it can be established that they are consistent with the definition of market value.
 - (v) If an appraiser questions whether a transaction selected for use in the study is a market sale, the appraiser should obtain sales agreements, closing statements, statements from parties to the transaction, deed records that disclose full consideration, or other evidence sufficient to determine whether or not the transaction is a market transaction.
 - (vi) The appraiser must exclude sales of properties that change category or significant physical characteristics after the sale but before the assessment date.
 - (vii) The appraiser may not exclude a sale solely because it appears to be inconsistent with other sales in the sample. Such sales should be verified. The inconsistencies may indicate that a sale is not a market transaction, but they also may indicate that information regarding the sale was recorded incorrectly. If further investigation reveals that the sale was indeed a legitimate market transaction, the appraiser may include it in the sample, despite its apparent inconsistency. If the investigation, however, reveals that the sale was not a legitimate market transaction, the sale should be excluded.
 - (viii) Generally, when financing reflects prevailing market practices and interest rates, sales prices require no adjustment. Adjustments should be considered if:
 - (I) the seller and lender are the same party and financing is not at prevailing market rates;
 - (II) the buyer assumes an existing mortgage at a non-market rate of interest; or
 - (III) lenders charge the seller "points" (a percentage of the loan amount) for making money available to the purchaser/borrower.
 - (ix) Some forms of mortgage terms also may require adjustment. If these adjustments alter the sales price significantly, the use of the sale as a good indicator of market value may be questionable.
 - (x) The appraiser shall adjust sales samples for the effect of time if there is evidence of a significant value increase or decrease during the period from which sales are drawn. The appraiser must document how the time adjustments were determined. As an alternative to time adjustment, the appraiser may randomly select samples so that the value of properties sold during a specified period before the assessment date roughly approximates the value of properties sold during a similar period after the assessment date. A sample balanced in this manner will negate the effect of changes in the level of market values if those changes occurred uniformly over the study time frame.

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- (xi) The comptroller may use a method of adjusting for financing, time, personal property, or other matters affecting the sales price, that includes an overall adjustment affecting all or any relevant portion of the sales in the sample.
 - (xii) If the comptroller determines that recently sold properties are appraised by the appraisal district at a different level of value than unsold properties, the comptroller may take actions to ensure that the unsold properties are fairly represented in the sample. These actions may include using appraisals in the sample, using sales that occurred after the appraisal district certified the school district tax rolls in the sample, deleting sales from the sample, or other adjustments the comptroller deems necessary to maintain the integrity of the property value study.
- (E) Appraisals of local property are performed if the comptroller determines they are necessary to ensure the study develops competent evidence of the value of all property in the school district. Appraisals are used to ensure a representative sample of sufficient size and to test whether sold and unsold properties are assessed at the same level. The following guidelines govern the use of appraisals:
- (i) appraisal samples shall be selected randomly if practicable;
 - (ii) appraisals shall be conducted using generally accepted appraisal practices. The comptroller shall prepare written procedures as needed to conduct appraisals. The written procedures are open records. Supervisory staff shall selectively test appraisals to ensure the consistency and accuracy of data throughout the state;
 - (iii) appraisers should physically inspect each property appraised. If acreage or lots cannot be physically inspected, the appraiser may use appraisal cards, aerial photographs, soil maps, and other relevant information in performing appraisals;
 - (iv) in appraising a particular property, the appraiser may not consider the value placed on that property by the appraisal district. However, the appraiser may consult with appraisal district staff and review appraisal district records to gather information relevant to the appraisal;
 - (v) the market value estimate for a particular property account must include the value of all property associated with that account, e.g., multiple improvements, paving, outbuildings, signs, business vehicles, additional lots, etc. The appraiser may use the appraisal district's value for any item(s) that the appraiser is unable to appraise if the item(s) in question represent an insignificant portion of the appraisal district's total appraised value for the account.
- (h) Local reports of taxable value. Local reports of taxable value are essential parts of the property value study. Appraisal districts shall submit their annual appraisal roll using the comptroller's Electronic Appraisal Roll Submission record layout according to §9.3059 of this title (relating to Certification of Appraisal Roll). This submission results in a local report of taxable value which the comptroller shall thoroughly review as needed to ensure reliability. The comptroller must document the date of and reasons for each revision.
- (i) Protest or request for audit. A protest or request for an audit of the Property Value Study findings shall be submitted in accordance with Subchapter L of this chapter (relating to Procedures for Protesting Comptroller Property Value Study and Audit Findings) or §9.103 of this title (relating to Audits of School District Taxable Property Values), as applicable.
- (j) Determination of school district value. School district taxable values shall be determined in a manner that maximizes the accuracy and reliability of the taxable value in each school district.
- (1) The taxable value of a category of property in a school district shall be determined by dividing the total locally appraised value of property in that category by the weighted mean or stratified weighted mean ratio for the sample of property selected from that category. However, the taxable value of property in a category may be determined by other methods if it is determined that sufficient competent evidence requires their use.
 - (2) The taxable value of property in a school district shall be determined by adding together the taxable value of property in each category of property in the school district and subtracting from the total the items listed in Government Code, §403.302(d). However, the taxable value of property in a school district may be determined by other methods if it is determined that sufficient competent evidence requires their use.
- (k) Determination of appraisal district measures. Appraisal district measures shall be determined from the sales and appraisals gathered as a part of the school district taxable value study.

- (1) The median level of appraisal for each category of property in the appraisal district and for the appraisal district as a whole is determined as provided by Tax Code, §5.10.
 - (2) The coefficient of dispersion for each category of property in the appraisal district and for the appraisal district as a whole is determined as provided by Tax Code, §5.10.
 - (3) The comptroller may determine and report other measures of appraisal accuracy and uniformity it deems useful and informative.
- (l) Certification of taxable values in school districts in which Government Code, §403.302(d)(9)(B) is applicable. The comptroller will determine separate taxable values to reflect value subject to maintenance and operations tax rates and value subject to interest and sinking fund tax rates in school districts in which Government Code, §403.302(d)(9)(B) is applicable. Such values will be certified to the commissioner of education, published, and delivered as required under Government Code, §403.302.

Source Note: The provisions of this §9.101 adopted to be effective December 13, 1996, 21 TexReg 11811; amended to be effective March 31, 2010, 35 TexReg 2605; amended to be effective December 4, 2011, 36 TexReg 8037

9.103. Audit of Total Taxable Value of Property in a School District

- (a) Definitions. The following words and terms, when used in this section, shall have the following meanings, unless the context clearly indicates otherwise.
- (1) Agent—A duly authorized individual designated to act as agent on behalf of a school district for the purpose of filing a request for audit pursuant to this section.
 - (2) Commissioner—The Texas Commissioner of Education.
 - (3) Comptroller—The Texas Comptroller of Public Accounts.
 - (4) Director—The director of the Property Tax Assistance Division.
 - (5) Division—The Property Tax Assistance Division of the office of the comptroller.
 - (6) Effective date—A single date designated in a request for audit for which all values and other reported information are submitted for an audit under Government Code, §403.302(h) (Determination of School District Property Values).
 - (7) Property value study or study—A study conducted by the comptroller pursuant to Government Code, §403.302.
 - (8) Request for audit or request—A request for an audit filed with the division pursuant to Government Code, §403.302(h).
 - (9) Study year—A tax year, as defined by Tax Code, §1.04(13) (Definitions), for which the comptroller has conducted a study, or is conducting a study.
 - (10) Taxable value—The “taxable value” as defined by Government Code, §403.302(d).
 - (11) Taxable value audit or audit—An examination, inspection and review of the total taxable value of property in a school district conducted pursuant to Government Code, §403.302(h).
- (b) Requests from school districts. A school district may request an audit of the total taxable value of property in the school district. A school district must make the request for audit by submitting a Request for School District Taxable Value Audit (Form 50-302) to the director, in writing, with a stated effective date, and, unless expressly authorized in writing by the director to do otherwise, must also include each of the following:
- (1) School District Report of Property Value (Form 50-108);
 - (2) Report of Value Lost Because of Deferred Tax Collections Under Tax Code, §33.06 and §33.065 (Form 50-851);
 - (3) Report of Value Lost Because of the School Tax Limitation on Homesteads of the Elderly/Disabled (Form 50-253);
 - (4) Report of Value Lost Because of School District Participation in Tax Increment Financing (TIF) (Form 50-755);
 - (5) Report of Value Lost Because of Value Limitations Under Tax Code, Chapter 313 (Form 50-767); and
 - (6) An automated or computer-generated summary of appraisal roll information that:

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- (A) is certified in accordance with Tax Code, §26.01 (Submission of Rolls to Taxing Units) by the chief appraiser who appraises property for the requesting school district;
 - (B) is produced by the certifying chief appraiser or a taxing unit that collects for the school district; and
 - (C) reports values with the same effective date as, and matching each value shown as a line item on, the School District Report of Value (Form 50-108).
- (c) Requests from the commissioner. The commissioner may request an audit of any school district's total taxable value. The commissioner must make the request for audit in writing, with a stated effective date, and submit the request to the director. The request must be signed by the commissioner. A school district subject to a request for audit from the commissioner must submit all documentation required under subsection (b)(1)-(6) of this section within 30 days of notification by the division that an audit has been requested.
- (d) Deadlines for filing requests.
- (1) A request for audit must be filed with the division not later than the third anniversary of the date of the final certification of the property value study findings for the study year subject to the request for audit; or
 - (2) If the chief appraiser corrects the appraisal roll under Tax Code, §25.25 (Correction of Appraisal Roll) or §42.41 (Correction of Rolls), and the change to the appraisal roll results in a material reduction in the total taxable value of property in the school district, then the request for audit must be filed with the division not later than the first anniversary of the date the chief appraiser certified the change to the appraisal roll under Tax Code, §25.25 or §42.41. For purposes of this subsection, a reduction in the total taxable value of property in a school district is considered a material reduction if the superintendent, or other individual authorized by the school district with specific knowledge of the school district's finances, signs a written statement certifying that the correction to the appraisal roll results in a material reduction in the total taxable value of property in the school district.
- (e) Number of requests. For the purpose of audits subject to the deadline prescribed by subsection (d)(1) of this section, up to three separate requests for audit pertaining to the same school district and study year may be submitted at any time before the deadline.
- (f) Methods of delivery for requests. The requestor is responsible for verifying receipt by the division regardless of the method of delivery. A request for audit may be submitted to the division as follows:
- (1) by personal delivery at 1711 San Jacinto Blvd., Third Floor, Austin, Texas 78701;
 - (2) by United States Postal Service, regular first-class mail, properly addressed with postage prepaid and bearing a post office cancellation mark on or before the applicable deadline for a request under subsection (d) of this section;
 - (3) by common or contract carrier in a properly addressed envelope or package, bearing a receipt mark on or before the applicable deadline for a request for audit under subsection (d) of this section; or
 - (4) electronically, via email sent to and received by ptad.audit@cpa.texas.gov with the title "AUDIT REQUEST" in the subject line. A file transfer protocol ("FTP") is available if requested in the email.
- (g) Rejection of requests. The division may reject a request for audit if:
- (1) the request does not meet the requirements of this section;
 - (2) the request omits or fails to complete any item required in subsection (b) of this section;
 - (3) the request fails to meet the deadlines prescribed by subsection (d) of this section;
 - (4) the request raises an issue previously determined in a protest of preliminary findings of value;
 - (5) the request asks for revisions that duplicate revisions requested in a previous audit for which the comptroller has certified a final audit finding under Government Code, §403.302(h); or
 - (6) the request involves a study year for which the relevant comptroller records do not exist or cannot be retrieved or replicated.
- (h) Incomplete submissions and resubmissions of requests. A request that is rejected based on an incomplete submission may be brought into compliance and resubmitted before the applicable deadlines prescribed in subsection (d) of this section.
- (1) A request that is rejected based on an incomplete submission shall be counted as a request for audit for purposes of subsection (e) of this section.

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- (2) A request that is resubmitted shall be counted as a new request for audit for the purposes of subsection (e) of this section.
 - (i) Additional information. The director may require additional information from the school district, its appraisal district, or any other source as needed to complete the taxable value audit. The director shall provide written notice of the requirement for additional information.
 - (1) If the school district or its appraisal district does not provide the additional information requested by the director within 15 days, plus any applicable period of extension, the director may deny any adjustments related to the additional information.
 - (2) Upon the written request of the school district, the 15 day period may be extended for an additional 15 days if the school district cannot obtain the information for reasons outside of the school district's control.
 - (j) Conduct of the examination, inspection and review. Division staff may accept numerical documentation with nominal internal inconsistencies, reject numerical documentation that leads to unreasonable results, and otherwise exercise sound judgment in arriving at the most accurate total taxable value for the school district. Division staff may conduct the taxable value audit by examining, inspecting or reviewing the required documentation submitted with the request for audit, or may include an examination, inspection and review of the relevant information in person at the tax office, appraisal office, or any other public office.
 - (k) Withdrawal of request. A request for audit may be withdrawn at any time before the comptroller certifies the audit findings.
 - (l) Certification of findings and protest. After considering all the relevant information submitted by the school district and other reliable sources, division staff shall recalculate the school district's total taxable value. Upon the determination of the findings of the audit, the comptroller shall certify the findings to the commissioner in accordance with Government Code, §403.302(h). A school district, or a property owner whose property is included in the audit under Government Code, §403.302(h) and whose tax liability on the property is \$100,000 or more, may protest the audit findings pursuant to Subchapter L of this chapter.
 - (m) Forms for audit request. The forms identified in this section are available on the comptroller's website or may be obtained from the Comptroller of Public Accounts, Property Tax Assistance Division, P.O. Box 13528, Austin, Texas 78711-3528. These forms may be revised at the discretion of the comptroller.

Source Note: The provisions of this §9.103 adopted to be effective May 26, 2020, 45 TexReg 3518

SUBCHAPTER B. PERFORMANCE AUDIT ADMINISTRATION

9.201. Performance Audit Procedures

- (a) The following parties may request a performance audit of an appraisal district under this section as provided by the Tax Code, §5.12:
 - (1) the governing bodies of a majority of the taxing units participating in an appraisal district;
 - (2) the governing bodies of a majority of the taxing units entitled to vote on the appointment of appraisal district directors;
 - (3) the owners of not less than 10% of the number of accounts or the owners of not less than 10% of the number of parcels of property established by the Comptroller of Public Accounts for purposes of the study conducted under the Government Code, §403.302, if the class constitutes at least 5.0% of the appraised value of taxable property within the district in the preceding year; or
 - (4) the owners of property representing not less than 10% of the appraised value of all property in the district belonging to a class of property established for purposes of the study conducted by the Comptroller of Public Accounts under the Government Code, §403.302, if the class constitutes at least 5.0% of the appraised value of taxable property in the district in the preceding year.
- (b) A performance audit must be requested in writing on a Comptroller of Public Accounts form. Taxing units must use Comptroller of Public Accounts Form 50-239. Property owners must use Comptroller of Public Accounts Form 50-238. Comptroller of Public Accounts Forms 50-238 and 50-239 are adopted by reference. Copies of the forms can be obtained from the Comptroller of Public Accounts, Property Tax Division, P.O. Box 13528, Austin, Texas 78711-3528.

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- (c) A request for a performance audit must contain the following information:
- (1) a request from taxing units must include the name and original signature of the presiding officer of each requesting unit and copy of the resolution or other evidence of official action that authorizes the request;
 - (2) a request from property owners must include the name and original signature of each requesting property owner, the account or parcel number(s) of the owner's property, and the appraised value of the property the preceding tax year;
 - (3) the name of the appraisal district that is the subject of the request;
 - (4) information showing that the parties to the request meet all requirements for requesting a performance audit established by the Tax Code, §5.12(b) and (c);
 - (5) whether the performance audit requested is a general audit or is to be limited to one or more specific areas of performances, and identifying the specific areas; and
 - (6) the designation of an individual as the sole representative of all parties to the request for performance audit. All matters pertaining to the audit and requiring communications or transactions between the comptroller and the parties making the request will be directed by the comptroller to the requested parties through the designated representative.
- (d) A general audit shall consider and report on the following areas of performance:
- (1) the extent to which the district complies with applicable law or generally accepted standards of appraisal or other relevant practice;
 - (2) the uniformity and level of appraisal of major kinds of property and the cause of any significant deviations from ideal uniformity and equality of appraisal of major kinds of property;
 - (3) duplication of effort and efficiency of operation;
 - (4) the general efficiency, quality of service, and qualification of appraisal district personnel; and
 - (5) except as otherwise provided by subsection (e) of this section, any other matter included in the request for the audit.
- (e) Parties may not request an audit of:
- (1) the financial condition of the appraisal district;
 - (2) an appraisal district's tax collections;
 - (3) an appraisal district function that is not required of the appraisal district by the Tax Code, the Education Code, or other laws of the state of Texas;
 - (4) a function the appraisal district performs under interlocal contracts or pursuant to a consolidation election held under the Tax Code, §6.26;
 - (5) an action of an individual not directly related to the performance of the appraisal district;
 - (6) an alleged criminal act or act of official misconduct as defined in the Penal Code;
 - (7) the value of a particular property; the grant or denial of an exemption in a particular case, the grant or denial of special appraisal to a particular property, the situs of a particular property, or similar matters involving individual properties that are properly in the jurisdiction of the appraisal review board;
 - (8) an issue other than the level of appraisal or degree of uniformity of a category of property or of all property in the appraisal district that is directly involved in litigation; or
 - (9) a matter that involves actions or determinations in any year earlier than the year of the request.
- (f) The comptroller shall approve all requests for performance audits meeting the requirements set forth within this section.
- (g) The comptroller shall disapprove those requests for performance audits that do not meet the requirements of this section and those portions of requests for performance audits containing requests to audit any of the areas listed within subsection (e) of this section.
- (h) For purposes of this chapter the property value study conducted by the comptroller under the Government Code, §403.302, and the Tax Code, §5.10, is a performance audit on a matter of uniformity and level of appraisal of property in an appraisal district.

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- (i) The comptroller shall send written notice of an audit request to the presiding officer of the appraisal district board of directors and to the chief appraiser within seven days after receipt of the request.
 - (j) Following approval of an audit request, the comptroller may require a pre-audit conference with the requesting parties or their representative. The purpose of the conference will be to clarify the elements of the audit request and to provide a foundation for an accurate cost estimate.
 - (k) Prior to the start of a performance audit, the comptroller shall prepare and deliver to the requesting parties an estimate of anticipated costs of conducting the audit. Costs include expenses related to salaries, professional fees, travel, reproduction or other printing services, and consumable supplies that are directly attributable to conducting the audit.
 - (l) If at any time during the audit the comptroller finds that additional costs are anticipated above the original cost estimate, the comptroller shall amend the costs.
 - (m) Following completion of a cost estimate, the comptroller shall direct the requesting parties to deposit with the comptroller security in the amount of the cost estimate to secure payment of the costs of conducting the audit.
 - (n) The security required by subsection (m) shall be a cash deposit or other financial security the comptroller determines is adequate to cover the expected costs to the comptroller of conducting the audit.
 - (o) Security shall be deposited in the name of or assigned to the Comptroller of Public Accounts.
 - (p) If the comptroller finds that costs are anticipated above the cost estimate, he may require additional security from the requesting parties.
 - (q) Following the satisfaction of all security requirements, the comptroller shall provide written notice of the commencement date of the audit. Notice shall be made to the authorized representative of the requesting parties, to the presiding officer of the appraisal district board of directors, and to the chief appraiser at least 14 days prior to the beginning of field work on the audit.
 - (r) The comptroller staff shall develop standards and procedures for conducting performance audits under this chapter.
 - (s) Following payment of the costs of conducting the audit and completing the report, the comptroller shall report the results of its audit. The report shall address all elements of the request as approved by the comptroller. If the request is for an audit limited to one or more particular matters, the report shall be limited to those matters. The report shall be in writing to the governing body of each taxing unit that participates in the appraisal district, to the chief appraiser and to the presiding officer of the appraisal district board of directors. If the audit was requested by property owners, a written report shall also be provided to the representative of the property owners who requested the audit.
 - (t) The comptroller may discontinue the audit in whole or in part:
 - (1) if requested to do so by the requesting parties;
 - (2) if any matter within the audit request becomes the subject of litigation or protest or challenge before the appraisal review board in the county; or
 - (3) if any matter within the audit request becomes the subject of a criminal investigation or prosecution.
 - (u) If the audit is discontinued, the comptroller shall make and distribute a report of costs incurred and elements of the request considered by the comptroller, if any.

Source Note: The provisions of this §9.201 adopted to be effective December 13, 1996, 21 TexReg 11815

9.301. Appraisal District Reviews

- (a) Definitions. The following words and terms when used in this subchapter shall have the following meanings unless the context indicates otherwise.
 - (1) Comptroller—The Texas Comptroller of Public Accounts or the comptroller’s designee.
 - (2) District—A county appraisal district.
 - (3) Division—The Property Tax Assistance Division of the Office of the Comptroller of Public Accounts.
 - (4) Generally accepted appraisal standards, procedures, and methodology—Standards and procedures adopted or recommended by the International Association of Assessing Officers (IAAO) concerning appraisal, contracting, personnel, and administration of ad valorem taxation, and The Appraisal Foundation’s Uniform Standards of Professional Appraisal Practice.

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- (5) Review—The comptroller’s review of the governance of each appraisal district, taxpayer assistance provided, and the operating and appraisal standards, procedures, and methodology used by each appraisal district as required by Tax Code, §5.102.
 - (6) Score—The measure of performance indicated at the conclusion of a review.
 - (7) Study—The property value studies required by Government Code, §403.302 and Tax Code, §5.10.
 - (8) Remedial action—Activities and decisions made by the board of directors of a district that demonstrate awareness of and concern for implementing the review’s recommendations and actions taken which demonstrate significant progress towards implementing the recommendations in a timely manner.
- (b) Biennial Review. A review of every district shall be conducted once every two years according to a schedule in which approximately one-half of the districts are subject to reviews each year. The comptroller may determine the schedule of reviews and assignments of districts based on considerations which include, but are not limited to, the efficient use of comptroller resources and coordination with the schedule for conducting the study.
 - (c) Scope of Review. The review shall be based on requirements of the Tax Code, comptroller rules, other laws, and generally accepted appraisal standards, procedures and methodology. The division shall develop questions, conduct physical inspections of property and appraisal records, and use other methods that are designed to determine compliance with these requirements and to develop a score. Compliance with §§9.3001, 9.3002, 9.3003, and 9.3004 of this title (relating to Appraisal Cards; Tax Maps; Uniform Tax Records System; and Appraisal Records of All Property) is mandatory and required to obtain a passing score.
 - (d) Scores. The results of a district review shall be scored at the conclusion of the review. Scores shall include pass or fail determinations for compliance requirements deemed mandatory by the comptroller. A district must pass all mandatory compliance requirements in order for a school district to be in compliance with the requirements of Government Code, §403.3011(2)(D). A recommendation shall be made by the division for each indication of non-compliance. Scores for other requirements shall be divided into the following categories:
 - (1) governance;
 - (2) taxpayer assistance;
 - (3) district operations; and
 - (4) appraisal standards, procedures and methodology.
 - (e) Reporting. The division shall provide a draft report of the review findings and recommendations to the district’s chief appraiser by September 1 or as soon thereafter as practicable by United States Postal Service first-class mail or by e-mail. The review for each district shall be completed by the division no later than December 31. As soon thereafter as practicable, the division shall publish on the comptroller’s website the comptroller’s findings and recommendations for improvement resulting from the review. At or reasonably promptly after the findings and recommendations for improvement resulting from the review are published on the comptroller’s website, the comptroller shall, by United States Postal Service first-class mail or by e-mail, notify the following that the findings and recommendations have been published: the district’s chief appraiser and board of directors and the superintendent and board of trustees of each school district participating in the district.
 - (f) Compliance with review recommendations. The district and its board of directors shall take remedial action reasonably designed to ensure substantial compliance with each recommendation in the review within 12 months from the date that the results of the review were delivered as required by this section. The comptroller shall determine substantial compliance during December of the year following the year of the review. Substantial compliance may be determined if the district has taken remedial action for each recommendation in the review. If the comptroller determines that the district has not achieved substantial compliance, the Texas Department of Licensing and Regulation shall be notified and provided copies of the results and recommendations of the review within 30 days of the comptroller’s determination.

Source Note: The provisions of this §9.301 adopted to be effective February 22, 2010, 35 TexReg 1468; amended to be effective December 4, 2011, 36 TexReg 8038

SUBCHAPTER C. APPRAISAL DISTRICT ADMINISTRATION

9.402. Special Use Application Forms

- (a) In applying for special use valuation under Tax Code, Chapter 23, the applicant shall use a form provided by the appraisal office. The appraisal office shall use the model form adopted by the Comptroller of Public Accounts which is appropriate to the special use type, or use a form containing information which is in substantial compliance with the model form adopted by the comptroller. All forms referenced in this section must include all language required by statute.
- (b) The comptroller's model forms applicable to this section may be revised at the discretion of the comptroller. Current forms can be obtained from the Comptroller of Public Accounts' Property Tax Assistance Division. The model special use application forms are:
 - (1) Application for 1-d Agricultural Appraisal (Form 50-165);
 - (2) Application for 1-d-1 (Open-Space) Agricultural Use Appraisal (Form 50-129);
 - (3) Application for 1-d-1 (Open-Space) Timber Land Appraisal (Form 50-167);
 - (4) Application for Open Space Land Appraisal for Ecological Laboratories (Form 50-166);
 - (5) Application for Appraisal of Recreational, Park, and Scenic Land (Form 50-168);
 - (6) Application for Appraisal of Public Access Airport Property (Form 50-169); and
 - (7) Application for Restricted-Use Timber Land Appraisal (Form 50-281).

Source Note: The provisions of this §9.402 adopted to be effective July 17, 1992, 17 TexReg 4807; amended to be effective March 18, 1996, 21 TexReg 1888; amended to be effective February 3, 1998, 23 TexReg 796; amended to be effective March 8, 2000, 25 TexReg 1878; amended to be effective July 14, 2002, 27 TexReg 6045; amended to be effective March 10, 2008, 33 TexReg 2032; amended to be effective April 2, 2012, 37 TexReg 2222

9.415. Applications for Property Tax Exemptions

- (a) With the application for exemption for residence homesteads, the appraisal office shall:
 - (1) provide a list of taxing units served by the appraisal district, together with all residential homestead exemptions each offers; or
 - (2) provide the appraisal district's name and appraisal district's phone number on the form, with an instruction that the property owner may call the appraisal district to determine what homestead exemptions are offered by the property owner's taxing units.
- (b) The comptroller may prescribe forms for use in the administration of the ad valorem tax exemptions. The prescribed forms will not be adopted by rule unless required by statute. If a form is prescribed for a particular purpose, the content of a form used by the appraisal district must comply with the most recently prescribed form as of the date specified.

Source Note: The provisions of this §9.415 adopted to be effective December 13, 1996, 21 TexReg 11819; amended to be effective February 2, 1998, 23 TexReg 796; amended to be effective May 4, 1998, 23 TexReg 4319; amended to be effective March 9, 2000, 25 TexReg 1879; amended to be effective April 3, 2002, 27 TexReg 2535; amended to be effective March 28, 2004, 29 TexReg 2921; amended to be effective December 5, 2005, 30 TexReg 8176; amended to be effective February 26, 2008, 33 TexReg 1601; amended to be effective January 3, 2010, 34 TexReg 9473; amended to be effective October 13, 2024, 49 TexReg 8396

9.416. Continuation of Residence Homestead Exemption While Replacement Structure is Constructed

- (a) If a qualified residential structure for which the owner receives an exemption under Tax Code, §11.13, is rendered uninhabitable or unusable in a manner qualifying under Tax Code, §11.135, the owner is entitled to a continuation of the exemption. The exemption's duration shall be limited pursuant to Tax Code, §11.135(a-1).
- (b) A property owner receiving a continuation of an exemption under Tax Code, §11.135, shall notify the appraisal office within 30 days after the date that eligibility for the continuation ends.

Source Note: The provisions of this §9.416 adopted to be effective March 1, 2010, 35 TexReg 1759; amended to be effective April 28, 2021, 46 TexReg 2828

9.417. Property Tax Exemption for Organizations Engaged Primarily in Charitable Activities

- (a) Request for Comptroller Determination Submitted to Comptroller. An organization seeking an exemption pursuant to Tax Code, §11.184 shall use the model determination request form prescribed by the comptroller and follow all instructions and guidelines published by the comptroller for requesting a comptroller determination as provided by Tax Code, §11.184.
- (b) Application for Exemption Submitted to Appraisal District. An organization seeking an exemption pursuant to Tax Code, §11.184 may use the model exemption application form prescribed by the comptroller or another form containing all information included in the comptroller's model form.
- (c) An organization seeking an exemption pursuant to Tax Code, §11.184 must comply with the filing requirements for application for property tax exemption that are stated in Tax Code, §11.43(d). A request to the comptroller for a determination letter for purposes of compliance with Tax Code, §11.184 does not automatically extend the deadline for filing an application for exemption.
 - (1) If an organization has not received a determination letter from the comptroller, the organization may use the following procedure to request that the chief appraiser extend the filing deadline for an application for exemption.
 - (A) The organization must submit to the chief appraiser a written request for an extension by no later than April 1;
 - (B) The request for extension should state that the organization has submitted a request for a determination letter to the comptroller and should have as an attachment a copy of the request for determination letter that the organization submitted to the comptroller;
 - (C) The chief appraiser shall grant the organization's request for extension for a period of not longer than 60 days if the organization has complied with subparagraphs (A) and (B) of this paragraph;
 - (D) The chief appraiser may verify with the comptroller that a request for a determination letter has been submitted.
 - (2) Notwithstanding paragraph (1) of this subsection, the chief appraiser may extend the deadline for filing an application for exemption at any time under the authority provided by Tax Code, §11.43.
- (d) If the chief appraiser, upon receipt of the application for tax exemption, disagrees with the comptroller's determination, then the chief appraiser may request a review of the determination by submitting a written request to the comptroller.
 - (1) The written request for reconsideration must be directed to the manager of the Tax Policy Division, must contain specific grounds on which the chief appraiser disagrees with the comptroller's determination, and must be accompanied by specific evidence that supports each ground that the chief appraiser asserts.
 - (2) The comptroller will respond to the written request for reconsideration within 30 calendar days from the date on which the request for reconsideration was received.
 - (3) The comptroller's decision to uphold the determination is conclusive evidence that an organization is engaged primarily in performing charitable function as well as whether the corporation meets the requirements of Tax Code, §11.184(l)(1) and (2), if applicable. The decision is not subject to further appeal.
- (e) Forms. All comptroller forms applicable to this section may be revised at the discretion of the comptroller. Current forms can be obtained from the Comptroller of Public Accounts' Property Tax Assistance Division.

Source Note: The provisions of this §9.417 adopted to be effective March 21, 2002, 27 TexReg 2053; amended to be effective March 14, 2004, 29 TexReg 2371; amended to be effective February 22, 2010, 35 TexReg 1469; amended to be effective April 3, 2012, 37 TexReg 2222

9.419. Property Tax Exemption for Certain Leased Motor Vehicles

- (a) Definitions. The following words and terms, when used in this section, shall have the following meanings, unless the context clearly indicates otherwise.
 - (1) Lease—An agreement, other than a rental as defined by Tax Code, §152.001(5), whereby an owner of a motor vehicle gives exclusive use of the motor vehicle to another for consideration, for a period that is longer than 180 days.
 - (2) Lessee—A person who enters into a lease for a specific motor vehicle.
 - (3) Lessor—The owner of a motor vehicle that is subject to a lease.

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- (4) Lessee's Affidavit or Affidavit—A statement, either under oath or by written, unsworn declaration, that a lessee or authorized representative of the lessee if the lessee is an entity described by Tax Code, §11.252(b) executes to attest that the lessee does not hold the leased motor vehicle for the production of income and the leased motor vehicle is used primarily for activities that do not involve the production of income.
 - (5) Motor vehicle—A passenger car or truck with a shipping weight of 9,000 pounds or less.
 - (6) Reasonable date and/or time—A time that is after 10:00 a.m. and before 5:00 p.m., Monday through Friday, excluding holidays, unless the appraisal district and the lessor agree otherwise.
- (b) The comptroller will make available forms that are adopted by reference in paragraph (1) of this subsection. Copies of the forms can be obtained from the Comptroller of Public Accounts' Property Tax Assistance Division.
- (1) The comptroller adopts by reference the following forms:
 - (A) Lessee's Affidavit Motor Vehicle Use Other than Production of Income (Form 50-285); and
 - (B) Lessor's Rendition or Property Report Leased Automobiles (Form 50-288).
 - (2) A chief appraiser, lessee and lessor must use the comptroller's forms adopted by reference in paragraph (1) of this subsection, available from the Comptroller of Public Accounts Property Tax Assistance Division unless the form:
 - (A) substantially complies with the corresponding comptroller form by using the same language in the same sequence as the comptroller form;
 - (B) is an electronic version of a comptroller form and preserves the same language in the same sequence as the comptroller form; or
 - (C) is a rendition form approved by the comptroller in writing before the form is used.
 - (3) A lessor shall maintain the affidavit, an electronic image of the affidavit, or a certified copy of the affidavit and must produce the affidavit, electronic image of the affidavit, or certified copy of the affidavit to the chief appraiser for inspection or copying when requested, subject to the conditions of subsection (f)(1) of this section.
 - (4) No provision in this section should be construed as limiting the chief appraiser's authority to enter into an agreement for electronic exchange of information under Tax Code, §1.085.
 - (5) No provision in this section should be construed as limiting the ability to electronically execute a document according to the laws of the State of Texas.
- (c) The Lessee's Affidavit Motor Vehicle Use Other than Production of Income (Form 50-285) should be completed by lessees and the affidavit, electronic image of the lessee's affidavit, or certified copy of the lessee's affidavit should be maintained by lessors in connection with applying for the exemption available under Tax Code, §11.252.
- (1) For lessor to qualify for the exemption, the Lessee must not hold the motor vehicle for the production of income and the motor vehicle must be used primarily for activities that do not include the production of income.
 - (2) A motor vehicle is presumed to be used primarily for activities that do not involve the production of income if:
 - (A) 50% or more of the miles the motor vehicle is driven in a year are for non-income producing purposes;
 - (B) the motor vehicle is leased to the State of Texas or a political subdivision of the State of Texas; or
 - (C) the motor vehicle:
 - (i) is leased to an organization that is exempt from federal income taxation under Internal Revenue Code, §501(a), as an organization described by Internal Revenue Code, §501(c)(3); and
 - (ii) would be exempt from taxation if the vehicle were owned by the organization.
- (d) The Lessor's Rendition or Property Report Leased Automobiles (Form 50-288) shall be used as the property report form required by Tax Code, §11.252(i).
- (1) To meet the reporting requirements of Tax Code, §11.252(i), the lessor shall list each leased vehicle the lessor owns on January 1, regardless of whether the leased vehicle qualifies for an exemption under Tax Code, §11.252, and provide the following:
 - (A) the year, make, model, and vehicle identification number for each leased vehicle;

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- (B) the name of the lessee and address at which the leased vehicle is kept;
 - (C) whether the lessee has designated the leased vehicle as not held for the production of income and used primarily for activities that do not involve the production of income; and
 - (D) whether the lessor maintains a lessee's affidavit, electronic image of the lessee's affidavit, or a certified copy of the lessee's affidavit for the leased vehicle.
- (2) To meet the reporting requirements of Tax Code, §11.252(j), the Lessor shall provide the form to the chief appraiser in the manner provided by Subchapter B, Chapter 22, Tax Code.
- (e) To apply for the exemption allowed under Tax Code, §11.252(a), the lessor shall submit a fully completed and properly executed Lessor's Exemption Application Motor Vehicles Leased for Use Other than Production of Income (Form 50-286) to the chief appraiser pursuant to Tax Code, §11.43 and §11.45, and indicate at the appropriate space on the form that the lessor is applying for the exemption allowed under Tax Code, §11.252(a) for each qualifying leased vehicle.
- (f) A chief appraiser may inspect and/or obtain copies of lessees' affidavits, electronic images of the affidavits, or certified copies of the affidavits that the lessor maintains. Unless agreed to otherwise, a lessor and a chief appraiser shall use the following procedures when the chief appraiser proposes to inspect and/or copy lessees' affidavits, electronic images of the affidavits, or certified copies of the affidavits on leased motor vehicles for which the lessor seeks an exemption.
- (1) No less than 10 days prior to the inspection, the chief appraiser shall provide the lessor with notice of the chief appraiser's intention to inspect and/or copy the lessees' affidavits, electronic images of the affidavits, or certified copies of the affidavits in the lessor's possession or control. The notice must state a reasonable time when the chief appraiser proposes to inspect and/or copy the lessees' affidavits, electronic images of the affidavits, or certified copies of the affidavits and shall identify the affidavits, electronic images of the affidavits, or certified copies of the affidavits that will be subject to inspection and/or copy.
 - (2) If the proposed date or time is not convenient, then the lessor may propose an alternate reasonable date or time by notifying the chief appraiser in writing.
 - (3) The lessor shall provide the chief appraiser with reasonable accommodations to inspect and/or copy any of the lessees' affidavits, electronic images of the affidavits, or certified copies of the affidavits or shall permit the chief appraiser to take the affidavits, electronic images of the affidavits, or certified copies of the affidavits off premises for a period of no less than 48 hours to inspect and/or copy.
 - (4) If the lessor is located more than 150 miles from the appraisal district's office, then the chief appraiser may submit a written request that the lessor deliver the identified lessees' affidavits, electronic images of the affidavits, or certified copies of the affidavits to the chief appraiser for at least 14 days for inspection and copying. The chief appraiser and the lessor may determine who should bear the costs of delivery and copying if any.
- (g) The comptroller-prescribed exemption application form (Lessor's Exemption Application Motor Vehicles Leased for Use Other than Production of Income (Form 50-286)) is not adopted by reference herein and may be revised at the discretion of the comptroller. Current forms can be obtained from the Comptroller of Public Accounts' Property Tax Assistance Division.

Source Note: The provisions of this §9.419 adopted to be effective March 21, 2002, 27 TexReg 2055; amended to be effective March 25, 2004, 29 TexReg 2922; amended to be effective March 10, 2008, 33 TexReg 2033; amended to be effective October 10, 2010, 35 TexReg 9107; amended to be effective June 21, 2021, 46 TexReg 3736; amended to be effective April 24, 2022, 47 TexReg 2294

SUBCHAPTER D. APPRAISAL REVIEW BOARD

9.803. Requirements for Appraisal Review Board Records

The record kept by each appraisal review board for each proceeding of the board shall contain the following items:

- (1) names of the board members present and the date of the proceeding;
- (2) the name of the chief appraiser if the chief appraiser appears at the proceeding or, if a chief appraiser's designee(s) appear(s) instead of the chief appraiser, the name(s) of such designee(s);
- (3) the names of all other persons appearing on behalf of the appraisal district;

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- (4) the name and resident address of the protesting property owner or the name and address of the challenging taxing unit, as applicable;
 - (5) the names of persons appearing at the proceeding on behalf of the board and any protesting or challenging party, a description of such persons' relationship to the party on whose behalf they appeared at the proceeding (e.g., "attorney for appraisal review board" or "agent for property owner"), and a copy of any legally required written authorization for such persons' appearance in a representative capacity (e.g., written designation of agent pursuant to Tax Code, §1.111);
 - (6) a description of the property subject to the protest or challenge;
 - (7) the notice of protest, challenge petition, or other document that gave rise to the proceeding and any written motions submitted to the board;
 - (8) all affidavits signed by the appraisal review board members in accordance with Tax Code, §41.66(f)-(g);
 - (9) an audio recording of testimony presented during the proceeding or, if no audio recording is made, a written summary of the testimony presented during the proceeding;
 - (10) all documentary and physical evidence, including all affidavits, offered and/or submitted by the parties to the board for consideration at the proceeding;
 - (11) the name and resident address of every witness and confirmation that each witness testified under oath;
 - (12) a notation of any formal motions made and the rulings made thereon;
 - (13) all written requests for subpoenas, copies of all subpoenas issued, all responses made in response to subpoenas issued, and records indicating compliance with the requirements of Tax Code, §41.61;
 - (14) all records pertaining to service and enforcement pursuant to Tax Code, §41.62;
 - (15) all records pertaining to compensation for subpoenaed witnesses and records indicating compliance with the requirements of Tax Code, §41.63;
 - (16) the final, written orders of the board;
 - (17) notations of the date of the final, written order(s) and the date each notice of issuance of order is placed in the mail; and
 - (18) all notices pertaining to the protest or challenge received by the board pursuant to Tax Code, §42.06.

Source Note: The provisions of this §9.803 adopted to be effective February 3, 1998, 23 TexReg 798; amended to be effective May 16, 2010, 35 TexReg 3650

9.805. Appraisal Review Board Evidence Exchange and Retention and Audiovisual Equipment Requirements

- (a) Exchange of evidence. Before or immediately after an appraisal review board hearing begins, the appraisal district and the property owner or the owner's agent shall each provide the other party with a duplicated set of the evidentiary materials the person intends to offer or submit to the appraisal review board for consideration at the hearing. One set of these materials is to be exchanged with and retained by the other party, and another set of these materials is to be provided to and retained by the appraisal review board as evidence for its records as required under §9.803 of this title (relating to Requirements for Appraisal Review Board Records). The duplicated material sets shall be produced in either paper or electronic form.
- (b) Evidentiary materials on a portable electronic device. Evidentiary materials produced on a portable electronic device shall be saved in a file format type and downloaded to a small, portable, electronic device. The file format type and small, portable, electronic device must be considered generally accepted technology and must be suitable for retention by the recipient. For security purposes, the electronic files on devices produced pursuant to this section shall be capable of being scanned or reviewed for the presence of any malicious software or computer viruses before acceptance by or exposure to the recipient's computer system.
- (c) Electronic file format types and devices. The appraisal review board shall determine the types of file formats and devices which meet the requirements of subsection (b) of this section and specify the types of file formats and devices in the appraisal review board hearing procedures. Examples of file format types that may be considered acceptable include but are not limited to the Adobe portable document format (PDF); Microsoft Word, typically used for text documents; Microsoft Excel, typically used for spreadsheets and tables; Microsoft PowerPoint, typically used for presentations

or slideshows; and JPEG (.jpg or .jpeg) for photographs. Examples of the general types of small, portable, electronic devices suitable for retention by the recipient that may be considered acceptable include but are not limited to USB flash drives (i.e., thumb or jump drives, USB or memory sticks), and compact discs (i.e., CDs, DVDs) with various characteristics. The appraisal district and the property owner or the owner's agent may agree to exchange evidence in a manner other than provided in appraisal review board hearing procedures so long as a copy of the evidence may be retained in the records of the appraisal review board and satisfies the requirements of subsection (a) of this section.

- (d) Audiovisual equipment requirements. If the appraisal district uses audiovisual equipment at appraisal review board hearings, the appraisal district shall make available this same equipment or audiovisual equipment of the same general type, kind, and character for use at the hearing by the property owner or the owner's agent. The equipment made available shall be capable of reading and accepting the same types of file formats and devices the appraisal review board has determined are generally accepted under subsection (c) of this section. In the alternative, property owners and their agents may bring their own audiovisual equipment for their presentation of evidentiary materials at appraisal review board hearings. If the operation of audiovisual equipment at the hearing requires access to and connection with the Internet for the presentation, the parties must provide their own Internet connection and access through their own service provider. The property owner and the owner's agent may not access the appraisal district office's network or Internet connection nor any of the appraisal district office's technology or equipment other than that made available under this section and described in the appraisal review board hearing procedures. The appraisal district and the property owner or the owner's agent may use audiovisual equipment with specifications that are different from those in the hearing procedures if the parties agree to do so in writing or verbally agree as shown in the audio recording of the hearing.
- (e) Appraisal Review Board hearing procedures. The following information regarding the exchange and presentation of evidence at appraisal review board hearings shall be provided in the appraisal review board hearing procedures:
 - (1) identification of the file format types considered acceptable under subsection (c) of this section;
 - (2) description of the types of small, portable, electronic devices suitable for retention by the recipient considered acceptable under subsection (c) of this section;
 - (3) notice that property owners and their agents may bring their own audiovisual equipment for their presentation at appraisal review board hearings but must provide their own Internet access, if needed, through their own service provider;
 - (4) whether the appraisal district uses audiovisual equipment at appraisal review board hearings;
 - (5) if the appraisal district uses audiovisual equipment at appraisal review board hearings, a description of the type, kind, and character of audiovisual equipment the appraisal district makes available for use by property owners or their agents and which meets the requirements of subsection (d) of this section; and
 - (6) notice that property owners and their agents may not access the appraisal district office's network or Internet connection nor any of the appraisal district office's technology or equipment other than that made available under this section and described in the hearing procedures.

Source Note: The provisions of this §9.805 adopted to be effective March 1, 2018, 43 TexReg 1138

SUBCHAPTER E. TAX OFFICE ADMINISTRATION

9.1001. Current and Delinquent Tax Receipts and Temporary Tax Receipts

- (a) All offices collecting ad valorem taxes shall prepare and issue current and delinquent tax receipts, as well as temporary tax receipts, as applicable, and, as requested, for the payment of current and delinquent taxes.
- (b) Current tax receipts shall include the following items of information:
 - (1) the name and address of the collecting office and the name of the taxing unit(s) for which that office collects on that property;
 - (2) the name and address of the property owner and/or agent;
 - (3) the description of the property as shown on the tax roll;

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- (4) the tax roll account number of the property and, if different, the appraisal roll account number of the property;
 - (5) the year for which the taxes are paid;
 - (6) the taxable value of the property;
 - (7) the tax rate imposed by each taxing unit taxing the property;
 - (8) the amount of taxes paid, including a breakdown of taxes collected for each taxing unit;
 - (9) the date the taxes are paid;
 - (10) in cases of split payment, indication that the amount paid is a split payment; and
 - (11) a statement that if a request by a property owner or agent is made before the current year taxes have been calculated, no such calculation is available for inclusion on the receipt.
- (c) Delinquent tax receipts shall include the following items of information:
- (1) each item of information specified in subsection (b)(1)–(9) of this section, except that the information specified in subsection (b)(6) and (7) of this section shall be shown for each year for which the taxes are paid; and
 - (2) the amount of penalty and interest collected.
- (d) At the option of the collecting office, more than one year of delinquent taxes paid may appear on one delinquent tax receipt.
- (e) Temporary tax receipts shall be issued at the request of the taxpayer for the full or partial amount of taxes paid when appraisal review protests or judicial appeals are pending and must state that the receipts are temporary pending the determination of the protests or appeals. Temporary tax receipts shall be issued at the request of the taxpayer if a collector accepts partial payments of taxes as provided by law and must state that the payments are partial without providing the amount of taxes still due. Temporary tax receipts shall be issued to the taxpayer without the necessity of a taxpayer request when conditional tax payments are made pursuant to Tax Code, §31.071.
- (f) Current, temporary, and delinquent tax receipts substantially equivalent to that required in this section are deemed to be in compliance if challenged by a taxpayer or a governmental entity.

Source Note: The provisions of this §9.1001 adopted to be effective July 17, 1992, 17 TexReg 4808; amended to be effective November 9, 2005, 30 TexReg 7228

9.1002. Posting of Tax Rates on County’s Internet Website

- (a) The information required to be posted by the county assessor-collector on the county’s internet website pursuant to Tax Code, §26.16 shall be posted on the website by means of a prominently featured hyperlink on the home page of the website entitled “Tax Rate Information” that links to either a list of all taxing units described in §26.16(b) or a single table that includes all taxing units described in §26.16(b). If the “Tax Rate Information” hyperlink links to a list of all taxing units described in §26.16(b), the taxing units shall be presented by individual taxing unit name listed in alphabetical order; each taxing unit name must be a hyperlink that links to the table of information for the taxing unit and text required by §26.16; and within the table for each taxing unit, the information required by §26.16(a) must be set forth by tax year with information for the most recent tax year presented first. If the “Tax Rate Information” hyperlink links to a single table that includes the information and text required by §26.16 for all taxing units described in §26.16(b), the taxing units within the table shall be presented by individual taxing unit name in alphabetical order and the information required by §26.16(a) must be set forth by tax year with information for the most recent tax year presented first.
- (b) A county assessor-collector may present tax rate information in a manner or format other than that set forth in subsection (a) of this section to provide additional resources for taxpayers, but any such presentation shall be in addition to, not in lieu of, the presentation set forth in subsection (a) of this section.

Source Note: The provisions of this §9.1002 adopted to be effective December 4, 2011, 36 TexReg 8039

SUBCHAPTER G. SPECIAL APPRAISAL

9.2001. Purpose and Definitions

- (a) The purpose of this section is to implement the intent of Tax Code, §23.51(1) and (7) and §23.251 as follows:
 - (1) to encourage the preservation of open space for wildlife management and conservation of the state’s natural heritage in all areas of the state;

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- (2) to create definitive standards for tax appraisers to follow in determining the qualification of property for appraisal on the basis of wildlife management use;
 - (3) to create a mechanism in addition to traditional agricultural use to allow ranchers, farmers, and land managers to conserve open space;
 - (4) to affirm local control of property taxation;
 - (5) to preserve revenue neutrality for all concerned parties; and
 - (6) to allow each property currently qualified in wildlife management use to continue being appraised as open space land.
- (b) The following words and terms, when used in this subchapter, shall have the following meanings:
- (1) *Manual for the Appraisal of Agricultural Land* — a publication of the Comptroller of Public Accounts. A copy of this publication may be obtained by contacting Texas Comptroller of Public Accounts, Property Tax Division, P.O. Box 13528, Austin, Texas 78711-3528, or online through Comptroller.Texas.Gov.*
 - (2) *Guidelines for Qualification of Agricultural Land in Wildlife Management Use* — a publication of the Comptroller of Public Accounts. A copy of this publication may be obtained by contacting Texas Comptroller of Public Accounts, Property Tax Division, P.O. Box 13528, Austin, Texas 78711-3528, or online through Comptroller.Texas.Gov.*
 - (3) *Comprehensive Wildlife Management Planning Guidelines* — a series of publications of the Texas Parks and Wildlife Department. Copies of these publications may be obtained by contacting Texas Parks and Wildlife Department, 4200 Smith School Road, Austin, Texas 78744-3291 or online through www.tpwd.state.tx.us. There is a separate publication for the following ecoregions or groups of ecoregions:
 - (A) Edwards Plateau and Cross Timbers and Prairies;
 - (B) Gulf Prairies and Marshes;
 - (C) High Plains and Rolling Plains;
 - (D) Pineywoods;
 - (E) Post Oak Savannah and Blackland Prairie;
 - (F) South Texas Plains; and
 - (G) Trans-Pecos.
 - (4) Wildlife management practices—the management categories listed in Tax Code, §23.51(7)(A)(i)–(vii), habitat control, erosion control, predator control, providing supplemental supplies of water, providing supplemental supplies of food, providing shelters, and making of census counts to determine population.
 - (5) Wildlife management activities—the method of implementation of wildlife management practices through the specific activities described in *Guidelines for Qualification of Agricultural Land in Wildlife Management Use* and the *Comprehensive Wildlife Management Planning Guidelines* for the ecoregion in which the tract of land is located.
 - (6) Tract of land—the entire area of a parcel or contiguous parcels of land as reflected in appraisal district records, under common ownership. The presence of public roads and bodies of water does not affect the contiguity of the parcels of land.
 - (7) Wildlife management property association—a group of landowners whose tracts of land:
 - (A) are contiguous (the presence of public roads and bodies of water does not affect the contiguity of the tracts of land);
 - (B) are subject to the wildlife use requirements set forth in §9.2005 of this title (relating to Wildlife Use Requirement);
 - (C) are appraised as qualified open space land under Tax Code, Chapter 23, Subchapter D; and
 - (D) are subject to a written agreement that legally obligates the owner of each tract of land to perform the management practices and activities necessary for each tract of land to qualify under this subchapter for appraisal based on wildlife management use.
 - (8) Indigenous wildlife—all native animals that originated in or naturally migrate into or through an area, and that are capable of living naturally in that area, but does not include exotic livestock as defined by Agriculture Code, §142.001(4).
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- (9) Breeding population—a group or population of indigenous wildlife that is capable of perpetuating itself through natural breeding.
 - (10) Migrating population—indigenous wildlife that moves between seasonal ranges.
 - (11) Wintering population—indigenous wildlife that occupies an area during the winter as a consequence of natural migratory behavior.
 - (12) Human use—the use of indigenous wildlife or habitat for food, medicine, or recreation by humans.
 - (13) Recreation—an active or passive activity for pleasure or sport.
 - (14) Wildlife use requirement—the number calculated in the manner required by §9.2005(a), as specified by §9.2005(c)(1)–(12) of this title (relating to Wildlife Use Requirement), for each wildlife use appraisal region.

Source Note: The provisions of this §9.2001 adopted to be effective December 11, 2008, 33 TexReg 10042

***NOTE:** For clarity purposes, the Web address in the original text of this rule has been replaced with the current Web address from the Comptroller's website which changed effective Jan. 1, 2015. The Web address in the original text of the rule is www.window.state.tx.us, which no longer exists.

9.2002. Wildlife Use Appraisal Regions

Wildlife use appraisal regions are designated by Texas Parks and Wildlife Department as follows:

- (1) Trans Pecos Region—Brewster, Crane, Culberson, El Paso, Hudspeth, Jeff Davis, Loving, Pecos, Presidio, Reeves, Terrell, Ward, and Winkler counties.
- (2) High Plains Region—Andrews, Armstrong, Bailey, Carson, Castro, Cochran, Crosby, Dallam, Dawson, Deaf Smith, Ector, Floyd, Gaines, Glasscock, Hale, Hansford, Hartley, Howard, Hutchinson, Hockley, Lamb, Lubbock, Lynn, Martin, Midland, Moore, Ochiltree, Oldham, Parmer, Potter, Randall, Sherman, Swisher, Terry, Upton, and Yoakum counties.
- (3) Rolling Plains Region—Archer, Baylor, Borden, Briscoe, Callahan, Childress, Clay, Coke, Coleman, Collingsworth, Concho, Cottle, Dickens, Donley, Fisher, Foard, Garza, Gray, Hall, Hardeman, Haskell, Hemphill, Jones, Kent, King, Knox, Lipscomb, McCulloch, Mitchell, Motley, Nolan, Roberts, Runnels, Scurry, Shackelford, Stonewall, Taylor, Throckmorton, Tom Green, Wheeler, Wichita, and Wilbarger counties.
- (4) Edwards Plateau (Western) Region—Crockett, Edwards, Irion, Kimble, Menard, Reagan, Real, Schleicher, Sterling, Sutton, and Val Verde counties.
- (5) Edwards Plateau (Eastern) Region—Bandera, Bexar, Blanco, Burnet, Comal, Gillespie, Hays, Kendall, Kerr, Llano, Mason, San Saba, Travis, and Williamson counties.
- (6) Cross Timbers and Prairies Region—Bell, Bosque, Brown, Comanche, Cooke, Coryell, Denton, Eastland, Erath, Hamilton, Hood, Jack, Johnson, Lampasas, Mills, Montague, Palo Pinto, Parker, Somervell, Stephens, Tarrant, Wise, and Young counties.
- (7) Gulf Prairies and Marshes Region (Upper Coast)—Austin, Brazoria, Calhoun, Chambers, Colorado, Fort Bend, Galveston, Harris, Jackson, Jefferson, Matagorda, Orange, Victoria, Waller, and Wharton counties.
- (8) Gulf Prairies and Marshes Region (Lower Coast)—Aransas, Brooks, Cameron, Hidalgo, Jim Wells, Kenedy, Kleberg, Nueces, Refugio, San Patricio, and Willacy counties.
- (9) Post Oak Savannah Region—Bastrop, Bee, Brazos, Burleson, Caldwell, Dewitt, Fayette, Franklin, Freestone, Goliad, Gonzales, Grimes, Guadalupe, Henderson, Hopkins, Karnes, Lavaca, Lee, Leon, Madison, Rains, Red River, Robertson, Titus, Van Zandt, Washington, and Wilson counties.
- (10) Blackland Prairie Region—Collin, Dallas, Delta, Ellis, Falls, Fannin, Grayson, Hill, Hunt, Kaufman, Lamar, Limestone, McLennan, Milam, Navarro, and Rockwall counties.
- (11) Pineywoods Region—Anderson, Angelina, Bowie, Camp, Cass, Cherokee, Gregg, Hardin, Harrison, Houston, Jasper, Liberty, Marion, Montgomery, Morris, Nacogdoches, Newton, Panola, Polk, Rusk, Sabine, San Augustine, San Jacinto, Shelby, Smith, Trinity, Tyler, Upshur, Walker, and Wood counties.
- (12) South Texas Plains Region—Atascosa, Dimmit, Duval, Frio, Kinney, LaSalle, Live Oak, Jim Hogg, McMullen, Maverick, Medina, Starr, Uvalde, Webb, Zavala, and Zapata counties.

Source Note: The provisions of this §9.2002 adopted to be effective December 11, 2008, 33 TexReg 10042

9.2003. Wildlife Management Plan

- (a) A wildlife management plan shall be completed on the form prescribed by Texas Parks and Wildlife Department (TPWD) for each tract of land for which qualification for agricultural appraisal is sought based on wildlife management use. A copy of this wildlife management plan form may be obtained by contacting Texas Parks and Wildlife Department, 4200 Smith School Road, Austin, Texas 78744-3291 or online through www.tpwd.state.tx.us. A chief appraiser may accept, but may not require, a wildlife management plan that is not on the form prescribed by TPWD if the wildlife management plan contains all of the information required by this section.
- (b) The wildlife management plan shall be provided to the appraisal district in which the tract of land is located.
- (c) The wildlife management plan must include:
 - (1) ownership information, property description and current use;
 - (2) the landowner's goals and objectives for the tract of land;
 - (3) the specific indigenous wildlife species targeted for management; and
 - (4) the specific management practices and activities to be implemented in support of the specific indigenous wildlife species targeted for management.
- (d) The specific management practices and activities in the wildlife management plan shall be intended to benefit the specific indigenous wildlife species targeted for management, and shall be consistent with the practices and activities recommended in *Guidelines for Qualification of Agricultural Land in Wildlife Management Use* and the *Comprehensive Wildlife Management Planning Guidelines* for the ecoregion in which the tract of land is located, and the landowner's goals and objectives.
- (e) If the tract of land provides habitat for species federally listed as endangered, threatened, or a candidate for listing as endangered or threatened, the wildlife management plan shall ensure that the specific management practices and activities do not harm the listed endangered, threatened, or candidate for listing as endangered or threatened species.
- (f) A wildlife property association may prepare a single wildlife management plan, provided all required information is included for each tract of land in the wildlife management property association and the plan is signed by each landowner or an agent of the landowner designated in the manner required by Tax Code, §1.111 and §9.3044 of this title (relating to Appointment of Agents for Property Tax).
- (g) An appraisal district may require, for each tract of land qualified for agricultural appraisal based on wildlife management use, that an annual report be filed showing how the wildlife management plan was implemented in any given year. A wildlife management property association may file a single annual report, if the report shows how the wildlife management plan was implemented on each tract of land in the wildlife management property association. If the report is required, it shall be completed on the form prescribed by TPWD and shall be signed by the landowner or an agent of the landowner designated in the manner required by Tax Code, §1.111 and §9.3044 of this title. If a single report is filed by a wildlife management property association, the report shall be signed by each landowner or an agent for each landowner designated in the manner required by Tax Code, §1.111 and §9.3044 of this title. A copy of the annual report form may be obtained by contacting Texas Parks and Wildlife Department, 4200 Smith School Road, Austin, Texas 78744-3291 or online through www.tpwd.state.tx.us.

Source Note: The provisions of this §9.2003 adopted to be effective December 11, 2008, 33 TexReg 10042

9.2004. Qualification for Agricultural Appraisal Based on Wildlife Management Use

- (a) The chief appraiser shall determine if land qualifies for agricultural appraisal based on wildlife management use in compliance with, and in a manner consistent with, §9.2005 of this title (relating to Wildlife Use Requirement), the *Manual for the Appraisal of Agricultural Land*, the *Guidelines for Qualification of Land in Wildlife Management Use*, and the *Comprehensive Wildlife Planning Guidelines* for the ecoregion in which the tract of land is located.
- (b) A tract of land qualifies for agricultural appraisal based on wildlife management use if:
 - (1) the tract of land is appraised as qualified open space land under Tax Code, Chapter 23, Subchapter D;
 - (2) the landowner's primary use of the tract of land is wildlife management;

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- (3) the tract of land is actively being managed to sustain a breeding, migrating, or wintering population of indigenous wildlife through implementation of a wildlife management plan that meets the requirements of §9.2003 of this title (relating to Wildlife Management Plan);
 - (4) in each tax year for which the owner seeks to qualify the tract of land for agricultural appraisal based on wildlife management use, the landowner has selected at least three wildlife management practices and, using wildlife management activities, has implemented each of the selected practices to the degree of intensity that is consistent with the *Guidelines for Qualification of Agricultural Land in Wildlife Management Use* and the *Comprehensive Wildlife Management Planning Guidelines* for the ecoregion in which the tract of land is located and for the specific indigenous wildlife species targeted for management;
 - (5) the landowner manages indigenous wildlife for human use; and
 - (6) the tract of land meets the specified wildlife use requirements set forth in §9.2005 of this title, if applicable.
- (c) In the first year in which the owner seeks to qualify the tract of land for agricultural appraisal based on wildlife management use, the chief appraiser is required to approve the application if the facts stated on the application, the management plan, and any additional evidence presented by the owner indicate that the land will meet the requirements of subsection (b)(1) of this section and that the owner will devote the land primarily to wildlife management in the manner required by subsection (b)(2)–(3), (5)–(6) of this section, to a degree of intensity that complies with subsection (b)(4) of this section. If in the first year the owner’s actual use of the land did not meet these requirements and was otherwise ineligible for appraisal as open-space land, Tax Code, §23.54(j) requires the chief appraiser to appraise the property at market value for the year that it was erroneously appraised.
- (d) The following factors indicate that the primary use of the land is wildlife management, and the chief appraiser shall take each factor into consideration when determining if the land is primarily used for wildlife management as required by subsection (b) of this section:
- (1) the tract of land is actively being managed under a wildlife management plan as required by this section;
 - (2) the landowner gives the wildlife management practices and activities priority over other uses and activities that take place on the tract of land; and
 - (3) secondary uses of the property do not significantly and demonstrably interfere with the wildlife management practices and activities being conducted on the tract of land or are not detrimental to the indigenous wildlife targeted for management.
- (e) For purposes of this subchapter, the *Manual for the Appraisal of Agricultural Land*, and the *Guidelines for Qualification of Agricultural Land in Wildlife Management Use*, “primary use” has the same meaning as “principal use.”

Source Note: The provisions of this §9.2004 adopted to be effective December 11, 2008, 33 TexReg 10042

9.2005. Wildlife Use Requirement

- (a) A tract of land’s wildlife use requirement is a number expressed as a percentage and calculated by subtracting one from the total number of acres in the tract of land and dividing the result by the total number of acres in the tract of land. The following formula expresses the calculation, with “x” representing the tract of land’s total acreage: $(x-1) \div x = \text{wildlife use requirement}$.
- (b) If the number of acres in the tract of land is equal to or greater than the number of acres in the tract of land on January 1 of the preceding tax year, the tract of land is not subject to the wildlife use requirement.
- (c) If the number of acres in the tract of land is fewer than the number of acres in the tract of land on January 1 of the preceding tax year, the wildlife use requirement the tract of land must meet to qualify for agricultural appraisal based on wildlife management use shall be selected by the chief appraiser, with the advice and consent of the Appraisal District Board of Directors, from the wildlife use requirement ranges specified for the wildlife use appraisal region in which the tract of land is located as follows:
 - (1) Trans Pecos Region—at least 97% but not more than 99%.
 - (2) High Plains Region—at least 96% but not more than 98%.
 - (3) Rolling Plains Region—at least 96% but not more than 98%.
 - (4) Edwards Plateau (Western) Region—at least 96% but not more than 98%.

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- (5) Edwards Plateau (Eastern) Region—at least 93% but not more than 95%.
 - (6) Cross Timbers and Prairies Region—at least 93% but not more than 95%.
 - (7) Gulf Prairies and Marshes (Upper Coast) Region—at least 92% but not more than 94%.
 - (8) Gulf Prairies and Marshes (Lower Coast) Region—at least 96% but not more than 98%.
 - (9) Post Oak Savannah Region—at least 92% but not more than 94%.
 - (10) Blackland Prairie Region—at least 92% but not more than 94%.
 - (11) Pineywoods Region—at least 92% but not more than 94%.
 - (12) South Texas Plains Region—at least 96% but not more than 98%.
- (d) The wildlife management use requirement that applies to a tract of land located in a wildlife management property association shall be selected by the chief appraiser, with the advice and consent of the Appraisal District Board of Directors, for the wildlife use appraisal region in which the tract of land is located as follows:
- (1) Trans Pecos Region—at least 95% but not more than 96%.
 - (2) High Plains Region—at least 94% but not more than 96%.
 - (3) Rolling Plains Region—at least 94% but not more than 95%.
 - (4) Edwards Plateau (Western) Region—at least 94% but not more than 95%.
 - (5) Edwards Plateau (Eastern) Region—at least 91% but not more than 92%.
 - (6) Cross Timbers and Prairies Region—at least 91% but not more than 92%.
 - (7) Gulf Prairies and Marshes (Upper Coast) Region—at least 90% but not more than 91%.
 - (8) Gulf Prairies and Marshes (Lower Coast) Region—at least 94% but not more than 95%.
 - (9) Post Oak Savannah Region—at least 90% but not more than 91%.
 - (10) Blackland Prairie—at least 90% but not more than 91%.
 - (11) Pineywoods Region—at least 90% but not more than 91%.
 - (12) South Texas Plains Region—at least 94% but not more than 95%.
- (e) If the tract of land is located in an area designated by Texas Parks and Wildlife Department as habitat for endangered species, a threatened species, or a candidate species for listing as threatened or endangered, the wildlife use requirement for a tract of land to qualify for agricultural appraisal based on wildlife management use shall be selected by the chief appraiser, with the advice and consent of the Appraisal District Board of Directors, from the wildlife use requirement ranges specified for the wildlife use appraisal region in which the tract of land is located as follows:
- (1) Trans Pecos Region—at least 95% but not more than 96%.
 - (2) High Plains Region—at least 94% but not more than 96%.
 - (3) Rolling Plains Region—at least 94% but not more than 95%.
 - (4) Edwards Plateau (Western) Region—at least 94% but not more than 95%.
 - (5) Edwards Plateau (Eastern) Region—at least 91% but not more than 92%.
 - (6) Cross Timbers and Prairies Region—at least 91% but not more than 92%.
 - (7) Gulf Prairies and Marshes (Upper Coast) Region—at least 90% but not more than 91%.
 - (8) Gulf Prairies and Marshes (Lower Coast) Region—at least 94% but not more than 95%.
 - (9) Post Oak Savannah Region—at least 90% but not more than 91%.
 - (10) Blackland Prairie Region—at least 90% but not more than 91%.
 - (11) Pineywoods Region—at least 90% but not more than 91%.
 - (12) South Texas Plains Region—at least 94% but not more than 95%.
- (f) The wildlife management use requirements made by this section do not apply to a tract of land if:

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- (1) beginning with the tax year that began on January 1, 2002, the tract of land has continuously and without interruption qualified for agricultural appraisal based on wildlife management use; and
 - (2) the size of the tract of land, when measured in acres, is equal to or greater than, the size of the tract on January 1, 2009.
- (g) The wildlife management use requirements set by this section do not apply to a tract of land located in Clay, McCulloch, or Terrell County that was qualified for agricultural appraisal based on wildlife management use in the tax year that began on January 1, 2008, if the size of the tract, when measured in acres, is equal to or greater than the size of the tract on January 1, 2008.

Source Note: The provisions of this §9.2005 adopted to be effective December 11, 2008, 33 TexReg 10042; amended to be effective April 14, 2009, 34 TexReg 2395

SUBCHAPTER H. TAX RECORD REQUIREMENTS

9.3001. Appraisal Cards

- (a) All appraisal district offices appraising property for purposes of ad valorem taxation shall develop and maintain a system of appraisal cards for all parcels of real estate which each office is required to appraise.
- (b) On each parcel of residential or commercial real estate, a separate appraisal card shall be developed and maintained which contains the following items of information related to the land:
 - (1) the legal description of the land (this provision shall not be interpreted to require field note descriptions);
 - (2) the account number of the property;
 - (3) a section indicating zoning classification (if any);
 - (4) a section indicating street improvements (e.g.: unimproved, graveled, paved);
 - (5) a section indicating utilities available (e.g., water, sewer, electricity, gas);
 - (6) a section indicating basic measurements of the land (e.g., frontage, depth, acreage);
 - (7) a section for computation of the land value;
 - (8) a section for any remarks by the appraiser relevant to the parcel;
 - (9) the identification of each taxing unit in which the property is taxable.
- (c) On each parcel of residential or commercial real estate the appraisal card shall contain the following items of information related to the improvements on the parcel:
 - (1) a diagram of all improvements on the parcel indicating perimeter measurements;
 - (2) separate sections indicating the type of construction for the foundation, floor, exterior walls, and roof;
 - (3) a section indicating the date of appraisal and the initials of the appraiser;
 - (4) a section indicating the use type of the improvements (e.g., single-family, duplex, apartment, store, warehouse, factory, etc.);
 - (5) a section indicating additional details of construction (e.g., porches, garages, storage buildings, fireplaces, etc.);
 - (6) a section indicating depreciation calculation related to the improvements;
 - (7) a section for the computation of the improvement value;
 - (8) a section for any remarks or comments by the appraiser relevant to the improvements on the parcel;
 - (9) in addition to all the information listed in this subsection, each appraisal card shall indicate the amount of appraised value of property included in the parcel for each category classification required by the annual school district report of property value.
- (d) On each parcel of rural or acreage real estate, an appraisal card shall be maintained which shall contain the following items of information related to the parcel:
 - (1) all information required under subsection (c)(1)-(9) of this section for each improvement located on the parcel;
 - (2) all information required under subsection (b)(1), (2), (3), (8), and (9) of this section related to the land;

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- (3) a section indicating the size of the parcel and the number of acres in each of the following use categories:
 - (A) irrigated;
 - (B) dry cropland;
 - (C) improved pasture;
 - (D) native pasture;
 - (E) orchard;
 - (F) timber; and
 - (G) barren or waste;
 - (4) a section indicating road access (e.g., paved, gravel, dirt, unimproved, none);
 - (5) a section indicating utility availability (electricity, gas, sewer, etc.);
 - (6) in districts with irrigated land, a section indicating the number and capacity of irrigation wells or the number of acres covered by irrigation permits;
 - (7) in addition to the information listed in this subsection, each appraisal card shall indicate the amount of appraised value of property included in the parcel for each category classification required by the annual school district report of property value.
- (e) Any information required by these sections may be maintained in electronic data processing records rather than in physical documents.
 - (f) Appraisal district offices failing to establish an appraisal card system as required in this section may be judged to be in compliance upon a showing to the board that an appraisal card system substantially equivalent to that required in this section has been established.

Source Note: The provisions of this §9.3001 adopted to be effective August 10, 1979, 4 TexReg 2679; amended to be effective April 30, 1981, 6 TexReg 1441; transferred effective November 26, 1991, as published in the Texas Register September 18, 1992, 17 TexReg 6481

9.3002. Tax Maps

- (a) All appraisal offices and all tax offices appraising property for purposes of ad valorem taxation shall develop and maintain a system of tax maps covering the entire area of the taxing units for whom each office appraises property.
- (b) Each tax map system shall be drawn to scale and delineated for lot lines or property lines or both, with dimensions or areas and identifying numbers, letters, or names for all delineated lots or parcels.
- (c) Each tax map shall be divided into sections drawn at a scale large enough to serve the purposes of property assessment. Developed or subdivided areas may be drawn at a different scale than undeveloped or unsubdivided tracts.
- (d) The tax map, each section thereof, and each parcel thereon shall be assigned numbers in accordance with a parcel identification numbering system. Such numbers shall be recorded on the tax map, section, and parcel. The identifying number for each parcel as recorded on the tax map shall also be recorded on the appraisal card maintained for that parcel.
- (e) The tax map system shall be annually updated to incorporate any new subdivisions or property transfers as indicated by the filing of subdivision plats or deeds with the county clerk's office of the county or counties in which the taxing units for whom each office appraises property are located.
- (f) Any information required by these sections may be maintained in electronic data processing records rather than physical documents.
- (g) Development of tax map systems (or substantial progress toward development) shall be completed by January 1, 1983.
- (h) Appraisal offices and tax offices failing to establish a tax map system as required in this section may be judged to be in compliance upon a showing to the board that a tax map system substantially equivalent to that required in this section has been established.

Source Note: The provisions of this §9.3002 adopted to be effective August 10, 1979, 4 TexReg 2679; amended to be effective September 1, 1981, 6 TexReg 3270; transferred effective November 26, 1991, as published in the Texas Register September 18, 1992, 17 TexReg 6481

9.3003. Uniform Tax Records System

- (a) All tax offices appraising property for purposes of ad valorem taxation shall develop and maintain a uniform tax records system.
- (b) The uniform tax records system shall be composed of the following items of information:
 - (1) appraisal cards;
 - (2) maps;
 - (3) rendition forms;
 - (4) report of decreased value forms;
 - (5) appraisal records of all property;
 - (6) tax roll of any taxing jurisdiction for whom the office assesses or collects;
 - (7) delinquent tax roll of any taxing jurisdiction for whom the office assesses and collects taxes;
 - (8) alphabetical index;
 - (9) partial exemption lists;
 - (10) absolute exemption lists for property for which an exemption application is required; and
 - (11) open-space land valuation; agricultural use valuation; timber use valuation; recreational, park, and scenic land valuation; and public access airport property lists.
- (c) Each item required in the uniform tax records system shall be developed and maintained as required by subsequent rules of the board.
- (d) Any item required by these sections may be maintained in electronic data processing records rather than in physical documents. However, a physical document for the appraisal roll for the appraisal district or for a taxing unit and the tax rolls for a taxing unit must be prepared and made readily available to the public, as required by Texas Property Tax Code, §1.10.
- (e) Appraisal district offices failing to establish a uniform tax records system as required in this section may be judged to be in compliance upon a showing to the board that a uniform tax records system substantially equivalent to that required in this section has been established.

Source Note: The provisions of this §9.3003 adopted to be effective April 30, 1981, 6 TexReg 1441; amended to be effective October 30, 1981, 6 TexReg 3873; transferred effective November 26, 1991, as published in the Texas Register September 18, 1992, 17 TexReg 6481

9.3004. Appraisal Records of All Property

- (a) All appraisal district offices appraising property for purposes of ad valorem taxation shall develop and maintain appraisal records of all property which each office is required to appraise.
- (b) The appraisal records of all property shall be two lists—one list for real property and one list for personal property—and shall contain the following items of information as applicable:
 - (1) the name and address of the owner or, if the name or address is unknown, a statement that it is unknown;
 - (2) the legal description of the real property of the owner (this provision shall not be interpreted to require field note descriptions);
 - (3) the separately taxable estates or interests in real property, including taxable possessory interests in exempt real property;
 - (4) the general description of taxable personal property and location thereof, if available;
 - (5) if the property is a manufactured home, as defined in Occupations Code, §1201.003, the permanent identification number(s) or serial number(s) attached to the home, together with the make and model of the home, its approximate age, general physical condition, and any characteristics that distinguish the home from other manufactured homes;
 - (6) the appraised value of land and, if the land is appraised as provided by Tax Code, Chapter 23, Subchapter C, D, or H, the market value of the land;
 - (7) the appraised value of improvements to land;
 - (8) the appraised value of a separately taxable estate or interest in land;
 - (9) the appraised value of personal property;

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- (10) the kind of any partial exemption the owner is entitled to receive, whether the exemption applies to appraised value, and in the case of an exemption authorized by Tax Code, §11.23, the amount of the exemption;
 - (11) whether the property qualifies for an extension of the school tax ceiling as the residence homestead of an over-55 surviving spouse of a person who qualified the homestead for a tax ceiling before his or her death;
 - (12) the tax year to which the appraisal applies;
 - (13) an identification of each taxing unit in which the property is taxable;
 - (14) whether the property qualifies for appraisal at its value as of September 1 of the year preceding the tax year;
 - (15) the name and address of an agent for notices, if any;
 - (16) whether the property is a special inventory, as defined by Tax Code, §23.12A;
 - (17) whether the property is subject to a limitation of school taxes as provided by Tax Code, §11.26, and whether and when the limitation was transferred to the homestead as provided by Tax Code, §11.26(g);
 - (18) whether the property is subject to a limitation on the appraised value of a residence homestead as provided by Tax Code, §23.23; and
 - (19) whether the property is subject to the deferred collection of taxes on an appreciating homestead as provided by Tax Code, §33.065.
- (c) The entry for each real property parcel that is appraised as part of a residential real property inventory shall indicate that the property is appraised as inventory and identify the inventory of which it is a part.
 - (d) Any item required by these sections may be maintained in electronic data processing records rather than in physical documents. However, a physical document for the appraisal roll for the appraisal district or for a taxing unit must be prepared and made readily available to the public, as required by Tax Code, §1.10.
 - (e) An appraisal district may maintain its appraisal records in any form that substantially complies with the provisions of this section.

Source Note: The provisions of this §9.3004 adopted to be effective April 30, 1981, 6 TexReg 1441; amended to be effective October 30, 1981, 6 TexReg 3873; amended to be effective January 21, 1986, 11 TexReg 93; amended to be effective May 18, 1988, 13 TexReg 2165; amended to be effective August 22, 1988, 13 TexReg 3876; amended to be effective June 22, 1990, 15 TexReg 3350; transferred effective November 26, 1991, as published in the Texas Register September 18, 1992, 17 TexReg 6481; amended to be effective March 24, 1994, 19 TexReg 1831; amended to be effective July 30, 1998, 23 TexReg 7591; amended to be effective September 30, 2010, 35 TexReg 8770

9.3005. Tax Roll for Any Taxing Unit

- (a) All offices assessing or collecting or both for purposes of ad valorem taxation shall develop and maintain a tax roll of any taxing jurisdiction for whom that office performs these functions.
- (b) The tax roll of any taxing jurisdiction shall contain the following items of information on each parcel of property:
 - (1) the name and address of the owner of the property;
 - (2) the legal description of the property;
 - (3) the account number of the property;
 - (4) the value of the property which is certified by the Appraisal Review Board;
 - (5) the kind and amount of any partial exemptions applied against the value of the property, if any; and
 - (6) the amount of the tax levied on the property.
- (c) Any item required by these sections may be maintained in electronic data processing records rather than in physical documents. However, a physical document for the tax roll for a taxing unit must be prepared and made readily available to the public, as required by Texas Property Tax Code, §1.10.
- (d) No provisions of these sections are to be construed as prohibiting the consolidation of rolls.
- (e) Offices failing to establish a tax roll of any taxing jurisdiction as required in this section may be judged to be in compliance upon a showing to the board that a tax roll of any taxing unit substantially equivalent to that required in this section has been established.

Source Note: The provisions of this §9.3005 adopted to be effective April 30, 1981, 6 TexReg 1441; amended to be effective October 30, 1981, 6 TexReg 3873; transferred effective November 26, 1991, as published in the Texas Register September 18, 1992, 17 TexReg 6481

9.3006. Notice of Estimated Taxes Required to be Posted by County Appraisal Districts and Taxing Unit Assessors

- (a) The chief appraiser and assessor collector for each taxing unit participating in the appraisal district shall include the following information in a notice of estimated taxes required under Tax Code, §26.04(e-2):
 - (1) A statement directing the property owner to an Internet website from which the owner may access information related to the actions taken or proposed to be taken by each taxing unit in which the property is located that may affect the taxes imposed on the owner's property. The statement must include a heading that is in bold, capital letters in type larger than that used in the other provisions of the notice;
 - (2) A statement that the property owner may request from the county assessor-collector for the county in which the property is located, or if the county assessor-collector does not assess taxes for the county, the person who assess taxes for the county under Tax Code, §6.24(b), contact information for the assessor for each taxing unit which the property is located who must provide the information described in this subsection to the owner on request;
 - (3) The name, address, and telephone number of the county assessor-collector for the county in which the property is located or, if the county assessor-collector does not assess taxes for the county, the person who assesses taxes for the county under Tax Code, §6.24(b); and
 - (4) Instructions describing how a property owner may register on the appraisal district's Internet website to have notifications regarding updates to the property tax database delivered to the owner by e-mail.
- (b) The chief appraiser and assessor collector for each taxing unit participating in the appraisal district may use the comptroller prescribed model form applicable to this section or use a different form that sets out the information listed in subsection (a) of this section.
- (c) The chief appraiser of each appraisal district and the assessor collector for each taxing unit participating in the appraisal district may determine the format, posting, and publication of notice under this section, as long as the format, posting, and publication comply with Tax Code, §26.04(e-2), (e-3), and (e-6).

Source Note: The provisions of this §9.3006 adopted to be effective September 21, 2020, 45 TexReg 6595; amended to be effective October 23, 2024, 49 TexReg 8473

9.3008. Delinquent Tax Roll of Any Taxing Unit

- (a) All offices collecting for purposes of ad valorem taxation shall develop and maintain a delinquent tax roll of any taxing unit for whom that office performs this function.
- (b) The delinquent tax roll of any taxing jurisdiction shall contain the following items of information on each parcel of property which has delinquent taxes:
 - (1) the year for which the taxes on the property are delinquent;
 - (2) the name and address of the current owner of the property;
 - (3) the legal description of the property as listed on the tax roll;
 - (4) the account number of the property; and
 - (5) the amount of the tax levied.
- (c) Any information required by these sections may be maintained in electronic data processing records rather than in physical documents.
- (d) No provisions of these sections are to be construed as prohibiting the consolidation of rolls.
- (e) Offices failing to establish a delinquent tax roll of any taxing unit as required in this section may be judged to be in compliance upon a showing to the board that a delinquent tax roll of any taxing unit substantially equivalent to that required has been established.

Source Note: The provisions of this §9.3008 adopted to be effective July 22, 1976, 1 TexReg 1894; transferred effective November 26, 1991, as published in the Texas Register September 18, 1992, 17 TexReg 6481

9.3009. Alphabetical Index

- (a) All appraisal district offices appraising property for purposes of ad valorem taxation shall develop and maintain an alphabetical index of property owners.

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- (b) The alphabetical index of property owners shall contain the following items of information:
 - (1) the name of the owner (listed alphabetically); and
 - (2) the account number of the property.
 - (c) Any information required by these sections may be maintained in electronic data processing records rather than in physical documents.
 - (d) Appraisal district offices failing to establish an alphabetical index as required in this section may be judged to be in compliance upon a showing to the board that an alphabetical index substantially equivalent to that required has been established.

Source Note: The provisions of this §9.3009 adopted to be effective July 22, 1976, 1 TexReg 1894; amended to be effective April 30, 1981, 6 TexReg 1445; transferred effective November 26, 1991, as published in the Texas Register September 18, 1992, 17 TexReg 6481

9.3010. Partial Exemption Lists

- (a) All appraisal district offices appraising property for purposes of ad valorem taxation shall develop and maintain partial exemption lists.
- (b) The partial exemption lists shall contain the following two items of information for the state-mandated homestead exemption, the state-mandated over-65 homestead exemption, the state-mandated disability homestead exemption, the local-option percentage homestead exemption, the optional over-65 or disability homestead exemption, and the disabled veteran's exemption: the total number of each kind of partial exemption for each taxing unit and total value that is exempted by each kind of partial exemption for each taxing unit. A list showing this information for each kind of partial exemption shall be made available to the public.
- (c) Any item required by these sections may be maintained in electronic data processing records rather than in physical documents.
- (d) No provisions in these sections are to be construed as prohibiting the consolidation of lists.
- (e) Appraisal district offices failing to establish partial exemption lists as required in this section may be judged to be in compliance upon a showing to the board that partial exemption lists substantially equivalent to that required have been established.

Source Note: The provisions of this §9.3010 adopted to be effective April 30, 1981, 6 TexReg 1441; amended to be effective October 30, 1981, 6 TexReg 3873; amended to be effective January 6, 1984, 8 TexReg 5413; transferred effective November 26, 1991, as published in the Texas Register September 18, 1992, 17 TexReg 6481

9.3011. Absolute Exemption Lists

- (a) Except as provided by subsection (f) of this section, each appraisal office appraising property for purposes of ad valorem taxation shall develop and maintain absolute exemption lists of property for which an exemption application is required.
- (b) The absolute exemption lists, categorized by the type of absolute exemption granted, shall contain the following items of information:
 - (1) the name and address of the owner as of January 1 of the tax year; and
 - (2) the account number of the property, if any.
- (c) Any information required by these sections may be maintained in electronic data processing records rather than in physical documents.
- (d) No provisions in these sections are to be construed as prohibiting the consolidation of lists.
- (e) An appraisal district office failing to establish absolute exemption lists as required in this section may be judged to be in compliance on a showing to the Comptroller of Public Accounts that absolute exemption lists substantially equivalent to that required by this section have been established.
- (f) Each appraisal district office shall not be required to develop and maintain absolute exemption lists of:
 - (1) income-producing tangible personal property used to produce income and having a value of less than \$500; and
 - (2) mineral interests having a value of less than \$500.

Source Note: The provisions of this §9.3011 adopted to be effective July 22, 1976, 1 TexReg 1894; transferred effective November 26, 1991, as published in the Texas Register September 18, 1992, 17 TexReg 6481; amended to be effective March 18, 1996, 21 TexReg 1889

9.3012. Open-Space Land Valuation; Agricultural Use Valuation; Timber Use Valuation; Recreational, Park, and Scenic Land Valuation; and Public Access Airport Property Lists

- (a) All appraisal district offices appraising property for purposes of ad valorem taxation shall develop and tax offices collecting ad valorem taxes shall maintain open-space land valuation; agricultural-use valuation; timber-use valuation; recreational, park, and scenic land valuation; and public access airport property lists. These lists shall be made available to the public.
- (b) These five lists, categorized by the type of valuation granted, shall contain the following items of information for each 12-month period beginning June 1:
 - (1) the name of at least one owner (kept in alphabetical order) of the property as of January 1 of the tax year;
 - (2) the account number of the property;
 - (3) the legal description of the real property; and
 - (4) the acreage of the property.
- (c) Any information required by these sections may be maintained in electronic data processing records rather than in physical documents.
- (d) No provisions in these sections are to be construed as prohibiting the consolidation of lists.
- (e) Offices failing to establish open-space land valuation; agricultural use valuation; timber use valuation; recreational, park, and scenic land valuation; and public access airport property lists as required in this section may be judged to be in compliance upon a showing to the board that such lists substantially equivalent to that have been established.

Source Note: The provisions of this §9.3012 adopted to be effective April 30, 1981, 6 TexReg 1441; amended to be effective October 30, 1981, 6 TexReg 3873; transferred effective November 26, 1991, as published in the Texas Register September 18, 1992, 17 TexReg 6481

9.3014. Property Identification System

- (a) All appraisal district offices appraising property for purposes of ad valorem taxation shall develop and maintain a system of property identification and description.
- (b) The system of property identification developed should provide a one-to-one relationship between a parcel of property and its identification.
- (c) The system of property identification developed should provide that each property identification changes when the physical boundaries of a parcel of property changes to which it is assigned.
- (d) A system of property identification developed should provide for an easily generated property identification that is achieved through a minimum of steps.
- (e) A system of property identification developed should provide for easy maintenance and updating.
- (f) A system of property identification developed should be convenient to use by the appraisal district office.
- (g) Any information required by these sections may be maintained in electronic data processing records rather than in physical documents.
- (h) Appraisal district offices failing to establish a system of property identification and description as required in this section may be judged to be in compliance upon a showing to the board that a system of property identification and description substantially equivalent to that required has been established.

Source Note: The provisions of this §9.3014 adopted to be effective July 22, 1976, 1 TexReg 1894; transferred effective November 26, 1991, as published in the Texas Register September 18, 1992, 17 TexReg 6481

9.3015. Report of Decreased Value Forms

- (a) All appraisal offices shall prepare and make available forms for the report of decreased value by any property owner.
- (b) All forms for the report of decreased value by any property owner shall provide for the following information:
 - (1) a statement indicating that the report form is to be filed by the property owner after January 1 and not later than April 15;
 - (2) the year for which the report of decreased value is filed;

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- (3) the name of any taxing units to which the report of decreased value is filed;
 - (4) the identification of the property owner filing the report of decreased value (name and address);
 - (5) the legal description of the property involved in the filing of the report of decreased value and its location;
 - (6) the name and address of a person to contact for additional information;
 - (7) the date of the report of decreased value;
 - (8) the signature of the property owner, or the authorized officer or agent, filing the report of decreased value; and
 - (9) a statement that the report of decreased value is confidential and not open to public inspection, except for those instances set forth in the Tax Code, §22.27(b).
- (c) In order to determine the appraised value of property that is the subject of a completed and timely filed report of decreased value, the report form will provide for the following necessary information:
- (1) a statement indicating the nature and cause of decreased value of the property subject to the report; and
 - (2) a statement indicating that the property owner may state his or her opinion about the market value of the property subject to the report.
- (d) All forms for the report of decreased value by any property owner shall require the property owner to state that the information contained in the form is true and correct to the best of the property owner's knowledge and belief. If the report is filed by someone other than the property owner, an employee of the property owner, or an employee of a property owner on behalf of an affiliated entity of the property owner, the report must be sworn before an officer authorized by law to administer an oath.
- (e) All forms for the report of decreased value by any property owner shall make provision for the following information on the back of the form:
- (1) the name of the person from the appraisal office who reviews the property to verify any change in value;
 - (2) the date the person from the appraisal office views the property subject to the report or, in the case of an oil and gas property, reviews the appraisal of the property; and
 - (3) the determination of any decrease in appraised value and its cause and nature by the person from the appraisal office who views the property to verify any change in value.
- (f) Appraisal offices failing to establish a form for the report of decreased value as required in this section may be judged to be in compliance upon a showing to the board that a form for the report of decreased value substantially equivalent to that required in this section has been established.

Source Note: The provisions of this §9.3015 adopted to be effective April 30, 1981, 6 TexReg 1441; amended to be effective October 30, 1981, 6 TexReg 3873; amended to be effective December 22, 1988, 13 TexReg 6094; transferred effective November 26, 1991, as published in the Texas Register September 18, 1992, 17 TexReg 6481; amended to be effective March 16, 1994, 19 TexReg 1467; amended to be effective February 3, 1998, 23 TexReg 798; amended to be effective January 10, 2000, 25 TexReg 211

9.3031. Rendition Forms

- (a) All appraisal offices and all tax offices appraising property for purposes of ad valorem taxation shall prepare and make available at no charge, printed or electronic forms for the rendering of property.
- (b) A person rendering property shall use the model form adopted by the Comptroller of Public Accounts or a form containing information which is in substantial compliance with the model form if approved by the comptroller.
- (c) Nothing in this section shall be construed to prohibit the combination of the information contained on two or more model forms into a single form in order to use a single form to achieve substantial compliance with two or more model forms.
- (d) The comptroller's model forms applicable to this section may be revised at the discretion of the comptroller. Current forms can be obtained from the Comptroller of Public Accounts' Property Tax Assistance Division. The model rendition forms are:
 - (1) General Real Property Rendition of Taxable Property (Form 50-141);
 - (2) General Personal Property Rendition of Taxable Property-Non Incoming Producing (Form 50-142);
 - (3) Report of Leased Space for Storage of Personal Property (Form 50-148);
 - (4) Industrial Real Property Rendition of Taxable Property (Form 50-149);

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- (5) Oil and Gas Lease Rendition of Taxable Property (Form 50-150);
 - (6) Mine and Quarry Real Property Rendition of Taxable Property (Form 50-151);
 - (7) Telephone Company Rendition of Taxable Property (Form 50-152);
 - (8) REA-Financed Telephone Company Rendition of Taxable Property (Form 50-153);
 - (9) Electric Company and Electric Cooperative Rendition of Taxable Property (Form 50-154);
 - (10) Gas Distribution Utility Rendition of Taxable Property (Form 50-155);
 - (11) Railroad Rendition of Taxable Property (Form 50-156);
 - (12) Pipeline and Right-of-Way Rendition of Taxable Property (Form 50-157);
 - (13) Business Personal Property Rendition of Taxable Property (Form 50-144);
 - (14) Watercraft Rendition of Taxable Property (Form 50-158);
 - (15) Aircraft Rendition of Taxable Property (Form 50-159); and
 - (16) Residential Real Property Inventory (Form 50-143).

Source Note: The provisions of this §9.3031 adopted to be effective October 30, 1981, 6 TexReg 3878; amended to be effective January 6, 1984, 8 TexReg 5414; amended to be effective March 1, 1985, 10 TexReg 588; amended to be effective August 22, 1988, 13 TexReg 3876; transferred effective November 26, 1991, as published in the Texas Register September 18, 1992, 17 TexReg 6481; amended to be effective February 2, 1998, 23 TexReg 799; amended to be effective January 10, 2000, 25 TexReg 211; amended to be effective December 24, 2003, 28 TexReg 11338; amended to be effective March 10, 2008, 33 TexReg 2033; amended to be effective March 1, 2011, 36 TexReg 1338; amended to be effective February 16, 2012, 37 TexReg 710

9.3034. Notice of Exemption Application Requirement

- (a) Notice of explanation to accompany all application forms for exemptions that must be applied for annually.
 - (1) Before February 1 of each year, the chief appraiser shall deliver an appropriate exemption application form to each person who in the preceding year was allowed an exemption that must be applied for annually.
 - (2) The exemptions which require an annual application are set forth in Tax Code, Chapter 11.
- (b) With each of these exemption applications, a brief explanation containing the following information shall be included:
 - (1) a statement that the exemption claimed in the previous year must be applied for annually;
 - (2) except as provided by subsection (c) of this section, a statement that the applicant must file the application before May 1 of the tax year and must furnish the information required on the application for the application to be valid;
 - (3) a statement that the chief appraiser, for good cause, may extend the deadline once for a period up to 60 days;
 - (4) a statement that, except in limited circumstances set forth in the Tax Code, if the application is not timely filed the exemption must be denied;
 - (5) a statement that the chief appraiser is required to cancel a granted exemption if he discovers any reason that the exemption should not have been granted, and in such an event, the chief appraiser will deliver a written notice to the taxpayer within five days after the date he makes the cancellation.
- (c) An organization that acquires property that qualifies for an exemption under Tax Code, §11.181(a) or §11.1825 may apply for the exemption for the year of acquisition not later than the 30th day after the date the organization acquires the property in order to claim an exemption for the remaining portion of that tax year.

Source Note: The provisions of this §9.3034 adopted to be effective January 6, 1982, 6 TexReg 4813; amended to be effective January 6, 1984, 8 TexReg 5415; transferred effective November 26, 1991, as published in the Texas Register September 18, 1992, 17 TexReg 6481; amended to be effective March 18, 1996, 21 TexReg 1890; amended to be effective September 30, 2010, 35 TexReg 8770

9.3038. Current, Delinquent, and Special Valuation Rollback Tax Bills or Statements

- (a) All offices assessing and collecting taxes for purposes of ad valorem taxation shall prepare and issue current, delinquent, and special valuation rollback tax bills or statements, as applicable and required by the Tax Code.
- (b) Current tax bills or statements shall be prepared as follows:

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- (1) Current tax bills shall be issued to each person in whose name the property is listed, and to his authorized agent, by October 1, or as soon thereafter as practicable. In the case of mortgaged property where taxes are paid from an escrow account controlled by the mortgagee (mortgage holder), the notice requirements shall be satisfied by sending the tax bill to the mortgagee. Written authorization by the property owner is not required in order to deliver the tax bill to the mortgage company when the mortgage company acknowledges that it has authority for payment of taxes on the property.
 - (2) The items of information to be included on the current tax bill are those set forth in Tax Code, §31.01(c), (c-1), and (d); Tax Code, §33.045; the amount of the penalty authorized by Tax Code, §22.28 and §22.29; and any other information required by interlocal agreement between taxing units and their collectors.
 - (3) Current tax bills prepared for owners of special inventory shall separately itemize the taxes levied against the special inventory pursuant to Tax Code, §§23.122, 23.12, 23.1242, and 23.128.
- (c) Delinquent tax bills or statements shall be prepared as follows:
- (1) As outlined in Tax Code, §33.04, delinquent tax bills shall be delivered to each person whose name appears on the current and cumulative delinquent tax rolls.
 - (2) The following items of information shall be included on each delinquent tax bill:
 - (A) the name, address, and telephone number of the collecting office, the name of the taxing unit(s) for which delinquent taxes are due on the specified property for which that office collects, and the name and telephone number of the assessor for the taxing unit(s) if different from the collector;
 - (B) the name and address of the property owner and/or agent;
 - (C) the description of the property;
 - (D) the account number of the property;
 - (E) the year(s) for which the taxes are delinquent;
 - (F) the amount(s) of delinquent taxes, penalties, and interest due, indicating the amount due each taxing unit;
 - (G) the date by which the taxes delinquent should be paid before additional penalties and interest are applied;
 - (H) if applicable, a statement that a protest or request for correction is pending before an appraisal review board or that an appeal to district court or binding arbitration is pending; and
 - (I) if applicable, a statement that a tax deferral or abatement applies to the account.
 - (3) Delinquent tax bills prepared for owners of special inventory shall separately itemize the taxes levied against special inventory pursuant to Tax Code, §§23.122, 23.12, 23.1241, and 23.128, and must include the name and telephone number of the assessor for the taxing unit and, if different, of the collector for the unit.
- (d) Special valuation rollback tax bills shall be prepared as follows:
- (1) Special valuation rollback tax bills shall be issued as provided in Tax Code, Chapter 23, specifically §23.46(c) for the rollback taxes under agricultural-use valuation; §23.55(e) for the rollback taxes under open-space agricultural land valuation; §23.76(e) for the rollback taxes under open-space timber land valuation; §23.86(c) for the rollback taxes for recreational, park, and scenic land valuation; and §23.96(c) for the rollback taxes for public access airport property.
 - (2) The following minimum items of information shall be included on the special valuation rollback tax bills:
 - (A) the description of the property subject to the rollback tax;
 - (B) the account number of the property;
 - (C) the year(s) for which the rollback tax is imposed;
 - (D) the amount of taxes which would have been imposed on the property for the year(s) based on the market value of the property;
 - (E) the amount of taxes that were imposed on the property for the year(s) based on the productivity value of the property;
 - (F) the difference of taxes between market and productivity values for the year(s) on the property;
 - (G) the amount of interest imposed on the property for the year(s);

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- (H) the total amount of tax and interest due and the due date;
 - (I) the rates of penalty and interest imposed for delinquent payment of the taxes and interest;
 - (J) a statement indicating that the taxes due are for rollback tax purposes; and
 - (K) the name and telephone number of the assessor for the taxing unit and if different, of the collector for the unit.
- (e) Offices assessing and collecting taxes for purposes of ad valorem taxation that fail to prepare and issue current, delinquent, and special valuation rollback tax bills as required in this section will be deemed to be in compliance if the bills or statements have substantially the same information as required by this section.
 - (f) At the option of the collecting office, more than one year of delinquent taxes may be included on one delinquent tax bill.

Source Note: The provisions of this §9.3038 adopted to be effective March 24, 1982, 7 TexReg 1056; transferred effective November 26, 1991, as published in the Texas Register September 18, 1992, 17 TexReg 6481; amended to be effective March 16, 1994, 19 TexReg 1467; amended to be effective February 3, 1998, 23 TexReg 799; amended to be effective November 9, 2005, 30 TexReg 7228

9.3039. Tax Refund Form

- (a) All offices collecting taxes for purposes of ad valorem taxation shall prepare and make available forms for use by taxpayers in applying for a tax refund for an overpayment or erroneous payment of taxes, as provided in Texas Property Tax Code, §31.11.
- (b) The tax refund form shall make provision for the following items of information to be filed by the taxpayer who believes that an overpayment or erroneous payment of taxes has been made:
 - (1) the name and address of the property owner and/or agent;
 - (2) the description of the property and its location;
 - (3) the account number of the property on the tax roll and/or tax receipt of the property;
 - (4) the name of the taxing unit(s) from which the refund is requested;
 - (5) the year for which the refund is requested;
 - (6) the date of the payment of taxes;
 - (7) the amount of taxes paid by the taxpayer;
 - (8) the amount of refund requested by the taxpayer;
 - (9) the reason that the taxpayer believes that the payment was an overpayment or erroneous payment and support documentation;
 - (10) the signature of the applicant;
 - (11) the date of the application for tax refund.
- (c) The office collecting taxes for purposes of ad valorem taxation shall provide the following items of information on the tax refund form:
 - (1) the name and address of the collecting office and the name of the taxing unit(s) for which that office collects;
 - (2) an indication of the approval or disapproval of the application by a taxpayer for a tax refund;
 - (3) the signature of the authorized officer charged with the authority to approve or disapprove tax refunds and the date of the approval or disapproval;
 - (4) the signature of the tax assessor collector of the taxing unit, if the signature is required by the Tax Code, §31.11, and the date of the approval or disapproval.
- (d) The application form for tax refund shall contain the following affirmation above the signature of the applicant: “I hereby apply for the refund of the above described taxes and certify that the information I have given on this form is true and correct.”
- (e) The tax refund application shall also contain the following statement: “If you make a false statement on this application, you could be found guilty of a Class A misdemeanor or a state jail felony under the Texas Penal Code, §37.10.”

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- (f) Collecting offices failing to prepare a tax refund form as required in subsection (a) of this section may be judged to be in compliance upon a showing to the comptroller that a tax refund form substantially equivalent to that required in subsection (a) of this section has been prepared.

Source Note: The provisions of this §9.3039 adopted to be effective March 24, 1982, 7 TexReg 1057; transferred effective November 26, 1991, as published in the Texas Register September 18, 1992, 17 TexReg 6481; amended to be effective February 24, 2000, 25 TexReg 1393

9.3040. Tax Certificates

- (a) All offices collecting ad valorem taxes shall prepare and issue tax certificates, upon the request of any person, as provided by Tax Code, §31.08.
- (b) The tax certificate shall include the following items of information:
- (1) the name and address of the collecting office and the name of the taxing unit(s) for which that office collects on the specified property;
 - (2) the name and address of the property owner;
 - (3) the description of the property for which the tax certificate is issued;
 - (4) the account number of the property for which the tax certificate is issued;
 - (5) the year for which delinquent taxes, penalties, and interest are due;
 - (6) if the specified property has received or is receiving special valuation based on its use, a statement that additional rollback taxes may become due as provided by Tax Code, Chapter 23;
 - (7) the amount of delinquent taxes, penalties, interest, and any known costs and expenses as provided by Tax Code, §33.48, due for each taxing unit;
 - (8) the date of the tax certificate; and
 - (9) the signature of the authorized officer of the collecting office.
- (c) The tax certificate shall include an affirmation by the authorized officer of the collecting office that a careful check of the tax records of the office has been made on the specified property and the tax certificate indicates the amount of delinquent taxes. The tax certificate shall also include a statement that property omitted from the appraisal roll as described under Tax Code, §25.21 is not included in the certificate and that a purchaser is absolved of liability for the taxes based on omitted property.
- (d) A tax certificate form must substantially comply with the requirements of this section.

Source Note: The provisions of this §9.3040 adopted to be effective March 24, 1982, 7 TexReg 1057; transferred effective November 26, 1991, as published in the Texas Register September 18, 1992, 17 TexReg 6481; amended to be effective November 9, 2005, 30 TexReg 7229

9.3042. Request Forms for Separate or Joint Taxation

- (a) Separate taxation of standing timber.
- (1) All appraisal offices and tax offices appraising property for purposes of ad valorem taxation shall prepare and make available forms for use by taxpayers to request separate taxation of standing timber from the land on which the timber is located, as provided in Tax Code, §25.10(c). The request filed with the appraisal office shall apply to all taxing units in which the specified property is located for which the office appraises.
 - (2) The request form for separate taxation of timber shall make provision for the following items of information:
 - (A) a statement indicating that the request must be filed annually between January 1 and before May 1;
 - (B) the year for which the request is made;
 - (C) the name and address of the property owner filing the request or his agent, if applicable, and an indication whether the person owns an interest in the timber or the land;
 - (D) the name(s) and address(es) of all owners and whether their ownership is in the land or the timber involved;
 - (E) the description of the land which contains the standing timber and its location;
 - (F) a statement of what documents will be required to prove separate ownership of the standing timber and the land;

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- (G) the signature of the property owner or agent; and
 - (H) the date of the request.
- (3) The request for separate taxation form shall include the following affirmations.
- (A) “I hereby affirm that the standing timber is separately owned from the land on which it is located, each being owned by the persons identified in this request.”
 - (B) “I hereby request that the standing timber located on the land described in this request be listed on the appraisal records of the appraisal office separately from the land on which the timber is located.”
 - (C) “I certify that the information given on this form is true and correct.”
- (b) Separate taxation of undivided interests.
- (1) All appraisal offices and tax offices appraising property for purposes of ad valorem taxation shall prepare and make available forms for use by taxpayers to request separate taxation of an undivided interest as provided in Tax Code, §25.11(b). The request filed with the appraisal office shall apply to all taxing units in which the specified property is located for which the office appraises.
- (2) The request form for separate taxation of an undivided interest shall make provisions for the following items of information:
- (A) a statement indicating that the request must be filed between January 1 and before May 1;
 - (B) the name and address of the property owner requesting the separate listing and his agent, if applicable;
 - (C) the name(s) and address(es) of all other owners of the property involved;
 - (D) a description of the property involved;
 - (E) the property owner’s proportionate interest in the property;
 - (F) a statement of what documents will be required to prove ownership in the property and the proportion the owner’s interest bears to the whole;
 - (G) the signature of the property owner or agent; and
 - (H) the date of the request.
- (3) The request for separate taxation form shall include the following affirmations.
- (A) “I hereby affirm that I own an undivided interest in the herein described property in the proportion stated in this request.”
 - (B) “I hereby request that my undivided interest in the specified property be listed on the appraisal records of the appraisal office separately from any remaining undivided interest.”
 - (C) “I certify that the information given on this form is true and correct.”
- (c) Joint taxation of mineral interests.
- (1) All appraisal offices and tax offices appraising property for purposes of ad valorem taxation shall prepare and make available forms for use by taxpayers to request joint taxation of separate interests in minerals, other than interests having a taxable value of less than \$500, as provided in Tax Code, §25.12(b). The request filed with the appraisal office shall apply to all taxing units in which the specified property is located for which that office appraises.
- (2) The request form for joint taxation of separate interests in minerals shall make provisions for the following items of information:
- (A) a statement indicating that the request must be filed between January 1 and before May 1;
 - (B) the name and address of the designated operator requesting the separate listing and his agent, if applicable;
 - (C) an identification of the property involved;
 - (D) the type and amount of interest expressed in decimal form to be listed jointly in the name of the designated operator;
 - (E) if a portion of the nonroyalty mineral interest(s) is not intended to be listed jointly in the name of the designated operator, the name and address of the owner(s) of such interest(s) shall be listed;

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- (F) the signature of the designated operator or his agent;
 - (G) the date of the request; and
 - (H) a statement that a request for joint taxation may not be filed if the taxable value of the interest is less than \$500.
- (3) The request for joint taxation of mineral interests form shall include the affirmations found in subparagraphs (A) and (B) of this paragraph.
- (A) “I hereby request that the separate mineral interests in the property described in this form be listed jointly in the manner specified herein.”
 - (B) “I certify the information given on this form is true and correct to the best of my knowledge and belief.”
- (d) Compliance by appraisal offices. Offices appraising property for purposes of ad valorem taxation that fail to prepare and make available request forms for separate taxation of timber, separate taxation of undivided interests, and joint taxation of mineral interests as required in subsections (a)–(c) of this section may be judged to be in compliance upon a showing to the comptroller that such forms substantially equivalent to those required in subsections (a)–(c) of this section have been prepared and made available.
- (e) The comptroller may provide model forms applicable to this section. Such forms may be revised at the discretion of the comptroller. Current forms can be obtained from the Comptroller of Public Accounts’ Property Tax Assistance Division.

Source Note: The provisions of this §9.3042 adopted to be effective May 11, 1982, 7 TexReg 1697; transferred effective November 26, 1991, as published in the Texas Register September 18, 1992, 17 TexReg 6481; amended to be effective February 3, 1998, 23 TexReg 799; amended to be effective October 3, 2010, 35 TexReg 8974

9.3044. Appointment of Agents for Property Tax Matters

- (a) Except as otherwise provided by existing court order, law, or other comptroller rule, a property owner shall use comptroller form 50-162 to designate an agent for property tax matters pursuant to Tax Code, §1.111(a). Except as provided in subsection (b) of this section, forms required to be used by this section shall be used as adopted by the comptroller, without changes in form or substance including, but not limited to, content, font size, and pagination. For the purposes of this section, the term “property owner” includes a person who claims a legal interest in the property.
- (b) All appraisal districts shall prepare and make available copies of comptroller form 50-162 for property owners to use in designating agents for property tax matters. An appraisal district may pre-print the appraisal district’s name and address in the spaces designated for such information on form 50-162; however, no other changes or modifications may be made. An appraisal district may, if approved in advance in writing by the comptroller, make non-substantive modifications to form 50-162 for purposes of facilitating electronic delivery.
- (c) Designation of an agent to receive notices or other communications is not effective for any notice or other communication about a property that is mailed or sent by electronic means before the property owner’s written notice is filed with the appraisal district in accordance with Tax Code, §1.111(f). A written statement filed pursuant to Tax Code, §1.111(j) is not effective for any notice or other communication about a property that is mailed or sent by electronic means before the written statement is filed with the protest in accordance with Tax Code, §1.111(j). No written designation or request for delivery of tax bills pursuant to Tax Code, §1.111(f) is required for a mortgage lender who is authorized by a deed of trust executed by the property owner to pay taxes on the property.
- (d) For the purposes of the prohibition against designating more than one agent for a single item of property in Tax Code, §1.111(d), an item of property means the property included under a single appraisal district account number. Unless the appraisal district has separately listed an improvement or the property owner presents documentation to the appraisal district showing separate ownership of land and improvements, a property owner may not designate separate agents to represent land and improvements. A property owner may, however, designate a different agent for purposes of Tax Code, Chapter 41A, or any other matter as provided by law or other comptroller rule.
- (e) If a property owner directs delivery of tax bills or notices to an agent after the date appraisal records are certified, the chief appraiser, as soon as practicable after the designation is filed, shall notify the affected taxing unit of the property owner’s name, the account number of the property, and the name and address of the agent designated for notice.
- (f) A property owner is not required to file a written designation of agent for a person who:

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- (1) acts as a courier for the property owner;
 - (2) prepares documents in a clerical capacity for the property owner;
 - (3) is an employee of the owner or of a corporate parent, affiliate, or subsidiary of the owner and is authorized by the owner to represent him; or
 - (4) is an attorney licensed to practice law in the State of Texas and retained by a property owner to represent him before the appraisal district or appraisal review board.
- (g) A person who owns property in more than one county may file a reproduction of the original signed appointment form with each appraisal district. If the chief appraiser has reason to question the authenticity of the document, the chief appraiser may require the property owner or the agent to provide the original for inspection.
- (h) Forms adopted by reference. The Comptroller of Public Accounts adopts by reference Appointment of Agent for Property Tax Matters (Form 50-162) and, for purposes of use as required by court order existing as of the date of amendment of this section, Appointment of Agent for Single-Family Residential Property Tax Matters (Form 50-241). Copies of the forms can be obtained from the Comptroller of Public Accounts, Property Tax Assistance Division, P.O. Box 13528, Austin, Texas 78711-3528.
- (i) Other forms. The comptroller may also prescribe additional forms applicable to this section. Any such forms may be revised at the discretion of the comptroller. Copies of the forms can be obtained from the Comptroller of Public Accounts, Property Tax Assistance Division, P.O. Box 13528, Austin, Texas 78711-3528.
- (j) Designations signed and filed with an appraisal district prior to the effective date of amendment of this section, until revoked as provided by law, continue in effect to the extent that such designations are consistent with existing law or, as applicable, court order.

Source Note: The provisions of this §9.3044 adopted to be effective May 18, 1988, 13 TexReg 2165; amended to be effective February 3, 1989, 14 TexReg 454; amended to be effective January 29, 1990, 15 TexReg 263; amended to be effective June 22, 1990, 15 TexReg 3350; transferred effective November 26, 1991, as published in the Texas Register September 18, 1992, 17 TexReg 6481; amended to be effective March 24, 1994, 19 TexReg 1831; amended to be effective October 31, 2006, 31 TexReg 8844; amended to be effective February 24, 2008, 33 TexReg 1603; amended to be effective January 3, 2010, 34 TexReg 9473; amended to be effective October 3, 2013, 38 TexReg 6602

9.3045. Application for September 1 Inventory Appraisal

- (a) All appraisal districts shall prepare and make available forms for taxpayers to use in requesting September 1 inventory appraisal pursuant to Tax Code, §23.12(f).
- (b) An appraisal district may, in lieu of creating a form, use a comptroller-prescribed, model form.
- (c) The comptroller may provide model forms applicable to this section. Such forms may be revised at the discretion of the comptroller. Current forms can be obtained from the Comptroller of Public Accounts' Property Tax Assistance Division.

Source Note: The provisions of this §9.3045 adopted to be effective June 22, 1990, 15 TexReg 3350; transferred effective November 26, 1991, as published in the Texas Register September 18, 1992, 17 TexReg 6481; amended to be effective October 3, 2010, 35 TexReg 8975

9.3048. Publication of Budget

- (a) In publishing the notice summarizing the appraisal district budget under the Tax Code, §6.062, the chief appraiser shall include the following:
 - (1) the time, date, and place of the public hearing on the proposed budget;
 - (2) the total amount of the proposed budget;
 - (3) the amount of increase proposed from the budget adopted for the current year;
 - (4) the number of employees compensated under the current budget and the number of employees to be compensated under the proposed budget, provided that the number of employees shall be expressed as the number of full-time equivalent employees;
 - (5) the name, address, and telephone number of the appraisal district; and
 - (6) at the chief appraiser's option, a statement explaining any significant differences between the current and the proposed appraisal district budget.

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- (b) The chief appraiser may use the comptroller-prescribed, model form applicable to this section or use a different form that sets out the information listed in subsection (a) of this section in the same language and sequence as the model form.
 - (c) In special circumstances the chief appraiser may use a form that provides additional information, deletes information required by this section, or sets out the required information in different language or sequence than that required by this section if the form has been previously approved by the comptroller.
 - (d) The comptroller's model form applicable to this section may be revised at the discretion of the comptroller. Current forms can be obtained from the Comptroller of Public Accounts' Property Tax Assistance Division.

Source Note: The provisions of this §9.3048 adopted to be effective January 29, 1990, 15 TexReg 264; transferred effective November 26, 1991, as published in the Texas Register September 18, 1992, 17 TexReg 6481; amended to be effective October 3, 2010, 35 TexReg 8975

9.3049. Change of Use Determination

- (a) The chief appraiser shall include the following information in a notice of a change of use determination required under Tax Code, §§23.46, 23.55, 23.76, or 23.9807:
 - (1) the name, street address, mailing address (if different), and telephone number of the appraisal district office;
 - (2) the property owner's name and a description of the affected property;
 - (3) a statement specifying the determination that has been made by the chief appraiser and identifying the statutory provision(s) under which such determination has been made;
 - (4) the year the property will begin to be taxed at its market value;
 - (5) a statement that the taxpayer may protest the decision to the appraisal review board;
 - (6) a statement that the deadline for filing a written protest is not later than 30 days after the date of the notice;
 - (7) a statement that if the property owner does not protest or the protest is denied, additional taxes and interest will be billed and subject to penalties and additional interest and a statement that a tax lien has already attached to the property to secure payment of the additional taxes, interest, and penalties;
 - (8) the number of years for which the additional taxes are being imposed; and
 - (9) a statement that the taxpayer may contact each taxing unit's tax assessor to determine the amount of additional taxes, interest, and penalties.
- (b) The chief appraiser may use the comptroller-prescribed, model form applicable to this section or use a different form that sets out the information listed in subsection (a) of this section in the same language and sequence as the model form.
- (c) In special circumstances the chief appraiser may use a form that provides additional information, deletes information required by this section, or sets out the required information in different language or sequence than that required by this section if the form has been previously approved by the comptroller.
- (d) The comptroller's model form applicable to this section may be revised at the discretion of the comptroller. Current forms can be obtained from the Comptroller of Public Accounts' Property Tax Assistance Division.

Source Note: The provisions of this §9.3049 adopted to be effective January 29, 1990, 15 TexReg 264; transferred effective November 26, 1991, as published in the Texas Register September 18, 1992, 17 TexReg 6481; amended to be effective October 5, 2010, 35 TexReg 8975

9.3052. Request Form for Separate Taxation of Stockholders' Interest in Cooperative Housing

- (a) All appraisal offices shall prepare and make available a form for use by a cooperative housing cooperation in requesting separate taxation of stockholders' interests as provided in Texas Property Tax Code, §23.19.
- (b) The form shall contain spaces for the corporation to provide the following information:
 - (1) the name and address of the cooperative housing corporation;
 - (2) the property description and street address of the property for which separate appraisal is requested;
 - (3) the name and address of the corporation's agent;
 - (4) a statement that the corporation must attach to the form the following documents:
 - (A) a list of names, addresses, and proportionate share of all stockholders in the corporation, and those stockholders that reside at the designated property;

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- (B) a resolution from the corporation's board of directors certifying that the stockholders have approved the request for separate appraisal;
 - (C) a diagrammatic floor plan of the improvements on the property; and
 - (D) a survey plot map of the land showing location of the improvements on the land;
- (5) the signature of the corporation's agent; and
 - (6) the date of the request.
- (c) The form for separate appraisal shall contain a statement indicating that by signing the form the applicant states that he/she is qualified to sign for the corporation, and must include the following statement in bold type: "If you make a false statement on this form, you could be found guilty of a Class A misdemeanor or a state jail felony under Penal Code, §37.10."
 - (d) The form shall contain statements to indicate:
 - (1) that the corporation need not request separate appraisal annually;
 - (2) that the applicant must file the initial request for separate appraisal in writing before March 1; and
 - (3) that the chief appraiser may require the corporation to submit or verify a list of stockholders, their interests, and residency at least annually.
 - (e) Where the appraisal office requests additional information, the appraisal office shall note the type(s) of information requested on the form. Otherwise, the form shall be prepared as a separate form from any other form.
 - (f) The appraisal office shall note on the form the amount of fee, if any, that the office will charge for separately appraising the interests in a cooperative housing corporation.

Source Note: The provisions of this §9.3052 adopted to be effective December 3, 1987, 12 TexReg 4368; transferred effective November 26, 1991, as published in the Texas Register September 18, 1992, 17 TexReg 6481; amended to be effective July 15, 2012, 37 TexReg 5135

9.3054. Request to Postpone Tax Bill

- (a) Each collecting office shall prepare and make available to the public forms for requesting the tax office to postpone issuing a tax bill until the amount of unpaid tax reaches \$15. The form shall require the taxpayer to provide the following:
 - (1) the property owner's name, current mailing address, and telephone number;
 - (2) a description of the property, the property account number, or a copy of tax or appraisal office correspondence that identifies the property; and
 - (3) the title or capacity of the person who signs the form.
- (b) The collector shall include on the form:
 - (1) instructions that state that if the property owner files the form, no penalty or interest will accrue on taxes until the total amount of tax owed to all units for which the collector collects taxes reaches \$15 or more; and
 - (2) the name, street address, mailing address if different, and telephone number of the collector's office.
- (c) The collector may use the comptroller-prescribed, model form applicable to this section or use a different form that requires the information and sets out the instructions required by this section in the same language and sequence as the model form.
- (d) In special circumstances the collector may use a form that provides additional information, deletes information required by this section, or sets out the required information in different language or sequence than that required by this section if the form has been previously approved by the comptroller.
- (e) The comptroller's model form applicable to this section may be revised at the discretion of the comptroller. Current forms can be obtained from the Comptroller of Public Accounts' Property Tax Assistance Division.

Source Note: The provisions of this §9.3054 adopted to be effective January 29, 1990, 15 TexReg 265; transferred effective November 26, 1991, as published in the Texas Register September 18, 1992, 17 TexReg 6481; amended to be effective October 5, 2010, 35 TexReg 8976

9.3059. Certification of Appraisal Roll

- (a) The chief appraiser shall certify a copy of the annual appraisal roll for the appraisal district to the Comptroller of Public Accounts. The appraisal roll shall be submitted to the comptroller by the deadlines and in the form and manner provided in the Electronic Appraisal Roll Submission Record Layout and Instructions Manual published by the comptroller.
- (b) If requested in writing to the director of the comptroller's property tax assistance division by the chief appraiser at least 30 days before the applicable deadline for submission of an appraisal roll, the deadlines may be waived, but only if the appraisal district can show good cause for late submission.
- (c) The director of the comptroller's property tax assistance division shall deliver a written determination of the request for waiver provided in subsection (b) of this section, by e-mail, facsimile transmission or regular first-class mail. An appraisal district may appeal the denial of a waiver to the comptroller. The comptroller shall decide each appeal by written order and shall deliver a copy of the order to the chief appraiser by e-mail, facsimile transmission or regular first class mail.
- (d) The Comptroller of Public Accounts will periodically revise the Electronic Appraisal Roll Submission Record Layout and Instructions Manual. Copies of this publication can be obtained from the Comptroller of Public Accounts, Property Tax Assistance Division, P.O. Box 13528, Austin, Texas 78711-3528. Copies may also be requested by calling the toll-free number 1-800-252-9121. In Austin, call (512) 305-9999. E-mail requests may be directed to ptad.ears@cpa.texas.gov*.

Source Note: The provisions of this §9.3059 adopted to be effective September 5, 2005, 30 TexReg 5375; amended to be effective April 11, 2010, 35 TexReg 2857

***Note:** For clarity purposes, the email address in the original text of this rule has been replaced with the current email address from the Comptroller's office which changed effective Jan. 1, 2015. The email address in the original text of the rule is ptad.ears@cpa.state.tx.us, which no longer exists.

9.3060. Installment Payment of Taxes on Property Located Within a Disaster Area

- (a) Any notice under Tax Code, §31.032(b) shall be in writing.
- (b) The limit on gross receipts under Tax Code, §31.032(a)(1)(A)(ii) as provided by Tax Code, §31.032(h) will be published on the comptroller's website.

Source Note: The provisions of this §9.3060 adopted to be effective March 18, 1996, 21 TexReg 1890; amended to be effective December 4, 2011, 36 TexReg 8040

9.3064. Public Notice of Protest and Appeal Forms

- (a) The comptroller will make available to appraisal districts a model form of the notice required by Tax Code, §41.70. A chief appraiser may use the comptroller's model form in complying with Tax Code, §41.70. The comptroller's model form will include, at a minimum:
 - (1) general identification of grounds on which a property owner may protest under Tax Code, Chapter 41;
 - (2) a description of the appraisal district's informal review process, if any;
 - (3) a description of the appraisal review board and the process of appeal to the appraisal review board;
 - (4) a description of the appraisal review board hearing process;
 - (5) information regarding deadlines for filing protests with the appraisal review board;
 - (6) information regarding methods of appealing an appraisal review board order;
 - (7) information regarding the payment of taxes pending an appeal of an appraisal review board order;
 - (8) identification of the appraisal district's contact information; and
 - (9) a statement that additional information can be obtained from the comptroller's office.
- (b) The chief appraiser may duplicate the comptroller's model form or use a different form that sets out the information listed in the model form in the same language and sequence as the model form. Without prior approval from the comptroller, the appraisal district may:
 - (1) add additional language that more fully describes its protest procedures;
 - (2) substitute the actual dates on which deadlines for the year fall for the deadlines set out in the model form;
 - (3) add the deadline for filing a protest concerning property omitted from the appraisal roll; and
 - (4) modify the form as necessary to correctly set out its name, address, and telephone number.

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- (c) In special circumstances, if approved by the comptroller in writing prior to publication, the chief appraiser may use a form that provides additional information other than that contained in the model form, deletes information required by the model form, or sets out the required information in different language or sequence than that required by the model form.
 - (d) The headline of the published notice shall be in 18-point type or larger. Body copy for the notice shall be in 10-point type or larger.
 - (e) The comptroller's model form applicable to this section may be revised at the discretion of the comptroller. Current forms can be obtained from the Comptroller of Public Accounts' Property Tax Assistance Division.

Source Note: The provisions of this §9.3064 adopted to be effective February 3, 1998, 23 TexReg 800; amended to be effective October 6, 2010, 35 TexReg 8976

SUBCHAPTER I. VALUATION PROCEDURES

9.4001. Valuation of Open-Space and Agricultural Lands

Adoption of the "Manual for the Appraisal of Agricultural Land." This manual specifies the methods to apply and the procedures to use in qualifying and appraising land used for agriculture and open-space land under Tax Code, Chapter 23, Subchapters C and D. Appraisal districts are required to use this manual in qualifying and appraising open-space land. The Comptroller of Public Accounts adopts by reference the Manual for the Appraisal of Agricultural Land dated October 2024. The manual is accessible on the Property Tax Assistance Division website. Copies of the manual can be obtained from the Comptroller of Public Accounts, Property Tax Assistance Division, P.O. Box 13528, Austin, Texas 78711-3528. Copies also may be requested by calling our toll-free number 1-800-252-9121. In Austin, call (512) 305-9999.

Source Note: The provisions of this §9.4001 adopted to be effective April 30, 1980, 5 TexReg 1491; amended to be effective February 10, 1982, 7 TexReg 359; amended to be effective March 27, 1982, 7 TexReg 1059; amended to be effective April 26, 1983, 8 TexReg 1218; amended to be effective January 21, 1986, 11 TexReg 93; amended to be effective April 19, 1988, 13 TexReg 1611; amended to be effective February 21, 1990, 15 TexReg 658; transferred effective November 26, 1991, as published in the Texas Register September 18, 1992, 17 TexReg 6481; amended to be effective August 15, 2017, 42 TexReg 3981; amended to be effective May 22, 2019, 44 TexReg 2463; amended to be effective November 4, 2020, 45 TexReg 7715; amended to be effective October 31, 2022, 47 TexReg 7286; amended to be effective December 2, 2024, 49 TexReg 9766

9.4005. Formulas for Interstate Allocation of the Tax Value of Railroad Rolling Stock

The value of railroad stock will be allocated to this state in the proportion of the total market value of the rolling stock that fairly reflects its uses in this state during the preceding tax year by ascertaining the average number of cars found to be habitually within the borders of the state or the average amount of the property habitually used or employed in the state; or, when such method will produce a more just, fair, equitable, and lawful result, by ascertaining the proportion of the total distance in miles of main line track, branch line tract, and side, yard, and spur track located in the state which the railroad company operates in comparison with the total distance in miles of such tract which the railroad company operates.

Source Note: The provisions of this §9.4005 adopted to be effective May 26, 1980, 5 TexReg 1852; transferred effective November 26, 1991, as published in the Texas Register September 18, 1992, 17 TexReg 6481

9.4009. Appraisal of Recreational, Park, and Scenic Land

Adoption of the "Guidelines for the Appraisal of Recreational, Park, and Scenic Land." These guidelines specify the methods to apply and the procedures to use in appraising land that qualifies for special appraisal as recreational, park, and scenic land. Appraisal districts are required to follow the procedures and methods set out in these guidelines. The Comptroller of Public Accounts adopts by reference the Guidelines for the Appraisal of Recreational, Park, and Scenic Land dated June 2022. The guidelines are accessible on our website. Copies of the guidelines can be obtained from the Comptroller of Public Accounts, Property Tax Assistance Division, P.O. Box 13528, Austin, Texas 78711-3528. Copies also may be requested by calling our toll-free number 1-800-252-9121. In Austin, call (512) 305-9999.

Source Note: The provisions of this §9.4009 adopted to be effective August 2, 1982, 7 TexReg 2709; transferred effective November 26, 1991, as published in the Texas Register September 18, 1992, 17 TexReg 6481; amended to be effective August 28, 2016, 41 TexReg 6215; amended to be effective January 2, 2023, 47 TexReg 9034

9.4010. Appraisal of Public Access Airport Property

Adoption of the "Guidelines for the Valuation of Public Access Airport Property." These guidelines specify the methods to apply and the procedures to use in appraising property that qualifies for special appraisal as public access airport property. Appraisal districts are required to follow the procedures and methods set out in these guidelines. The Comptroller of Public

Accounts adopts by reference the Guidelines for the Valuation of Public Access Airport Property dated June 2022. The guidelines are accessible on our website. Copies of the guidelines can be obtained from the Comptroller of Public Accounts, Property Tax Assistance Division, P.O. Box 13528, Austin, Texas 78711-3528. Copies also may be requested by calling our toll-free number 1-800-252-9121. In Austin, call (512) 305-9999.

Source Note: The provisions of this §9.4010 adopted to be effective January 4, 1983, 7 TexReg 4463; transferred effective November 26, 1991, as published in the Texas Register September 18, 1992, 17 TexReg 6481; amended to be effective August 28, 2016, 41 TexReg 6216; amended to be effective January 2, 2023, 47 TexReg 9035

9.4011. Appraisal of Timberlands

Adoption of the Manual for the Appraisal of Timberland. This manual sets out both the eligibility requirements for timberland to qualify for productivity appraisal and the methodology for appraising qualified timberland and restricted use timberland. Appraisal districts are required by law to follow the procedures and methodology set out in this manual. The Comptroller of Public Accounts adopts by reference the Manual for the Appraisal of Timberland dated October 2024. Copies of this manual can be obtained from the Comptroller of Public Accounts, Property Tax Assistance Division, P.O. Box 13528, Austin, Texas 78711-3528 or from the Property Tax Assistance Division website. Copies may also be requested by calling our toll-free number 1-800-252-9121. In Austin, call (512) 305-9999. From a Telecommunications Device for the Deaf (TDD), call 1-800-248-4099, toll free. In Austin, the local TDD number is (512) 463-4621. This manual and those that have been superseded are available from the Comptroller's office as well as the State Archives.

Source Note: The provisions of this §9.4011 adopted to be effective May 9, 1983, 8 TexReg 1410; transferred effective November 26, 1991, as published in the Texas Register September 18, 1992, 17 TexReg 6481; amended to be effective August 6, 1996, 21 TexReg 7046; amended to be effective May 3, 2004, 29 TexReg 4229; amended to be effective October 27, 2020, 45 TexReg 7608; amended to be effective October 31, 2022, 47 TexReg 7287; amended to be effective December 2, 2024, 49 TexReg 9767

9.4013. Residential Real Property Inventory Appraisal

- (a) A residential real property inventory is one or more platted lots or tracts, and improvements, if any, meeting the following criteria:
 - (1) they are under the same ownership;
 - (2) they are contiguous to one another or are located in the same subdivision of development;
 - (3) they are held for sale in the ordinary course of business;
 - (4) they are subject to zoning restrictions limiting them to residential use, or, if not subject to zoning, they are:
 - (A) subject to enforceable deed restrictions limiting them to residential use; or
 - (B) their highest and best use is as residential property;
 - (5) they have never been occupied for residential purpose; and
 - (6) they are not presently leased or producing income.
- (b) A residential real property inventory shall be appraised as a unit at the price for which it would transfer to another person continuing the business, using generally accepted techniques for the appraisal of subdivisions and similar properties.

Source Note: The provisions of this §9.4013 adopted to be effective August 22, 1988, 13 TexReg 3877; transferred effective November 26, 1991, as published in the Texas Register September 18, 1992, 17 TexReg 6481

9.4031. Manual for Discounting Oil and Gas Income

Adoption of the "Manual for Discounting Oil and Gas Income." This manual specifies the methods and procedures to calculate the present value of oil and gas properties using discounted future income under Tax Code, Chapter 23.175, and directs each appraisal district to use the specified methods and procedures. The Comptroller of Public Accounts adopts by reference the Manual for Discounting Oil and Gas Income dated June 2021. The manual is accessible on the Property Tax Assistance Division website. Copies of the manual can be obtained from the Comptroller of Public Accounts, Property Tax Assistance Division, P.O. Box 13528, Austin, Texas 78711-3528. Copies also may be requested by calling our toll-free number 1-800-252-9121. In Austin, call (512) 305-9999.

Source Note: The provisions of this §9.4031 adopted to be effective March 10, 2022, 47 TexReg 1105

NOTE: The Comptroller of Public Accounts publishes the *Manual for Discounting Oil and Gas Income* which is available on the Comptroller of Public Accounts website at comptroller.texas.gov/taxes/property-tax/docs/96-1703.pdf.

9.4033. Allocation of Value

- (a) The following words and terms, when used in this chapter, shall have the following meanings, unless the context clearly indicates otherwise.
- (1) Commercial instrument or commercial equipment—Tangible personal property used for a business purpose, which includes, but is not limited to, commercial and business aircraft, rolling stock not owned or leased by a railroad, motor vehicle, shipping containers, vessels and watercraft (except for special purpose vessels and watercraft used as an instrumentality of commerce as defined in Tax Code, §21.031), mobile construction or drilling equipment, and mobile equipment of any other sort. The term does not include goods, wares, ores, or merchandise held for sale or resale, stored, warehoused, or in the process of assembly, manufacture, or refinement on January 1.
 - (2) Jurisdiction to tax—The legal power to levy a property tax on a property, regardless of whether the power to tax is exercised.
 - (3) Situs jurisdiction—A taxing unit, state, or nation that has jurisdiction to tax a property because of the property's location or use, or because of the owner's domicile or principal place of business.
 - (4) Used continually—Used several times on regular routes or for several tasks in close succession throughout the year.
- (b) A property owner may apply for the allocation of total market value of a vessel, special-purpose vessel, or other watercraft.
- (1) The allocation of taxable value of vessels and other watercraft used outside this state shall be determined according to the provisions of Tax Code, §21.021 and §21.031.
 - (2) To receive an allocation of value for vessels and other watercraft, a property owner must apply for the allocation on the comptroller-prescribed, model form Application for Interstate Allocation of Vessels or Other Watercraft or a form containing information which is in substantial compliance with the model form if approved by the comptroller. A person filing an allocation application form must include all information required by the form. The application must be filed with the chief appraiser for the district in which the property is taxable and must be filed prior to the approval of appraisal records by the appraisal board.
 - (3) If the chief appraiser determines that he needs information in addition to that furnished on the application, he may request additional information by written notice delivered to the property owner. A taxpayer shall furnish any additional information required within 15 days after the date the notice is mailed.
- (c) The guidelines for determination of jurisdiction to tax are as follows.
- (1) The chief appraiser shall determine whether property is within the taxing jurisdiction of another state or nation from the evidence supplied by the property owner. The burden of proof in establishing such jurisdiction is upon the property owner.
 - (2) The State of Texas has jurisdiction to tax property if:
 - (A) it is physically present within the State of Texas on January 1 for more than a temporary period;
 - (B) it has been used continually in Texas during the 12 months preceding January 1, regardless of its location on January 1; or
 - (C) its owner resides or does business in Texas and the property is outside Texas for a temporary period on January 1.
 - (3) Property is within the jurisdiction to tax of another state or nation if:
 - (A) it is physically present within that state or nation's boundaries on the state or nation's property tax lien date for more than a temporary period;
 - (B) it has been used continually in the state or nation during the 12 months preceding January 1, regardless of its location on January 1;
 - (C) its owner resides or does business in that state or nation and the property is outside that state or nation for temporary period on January 1; or
 - (D) the state or nation has in fact assessed a property tax against the property.
 - (4) Property is neither physically present nor used in a jurisdiction when it flies over the jurisdiction without landing.

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- (5) Property that leaves the boundaries of this state, and returns without being exposed to the taxing jurisdiction of another state or nation, remains within this state's taxing jurisdiction for the duration of the trip.
 - (6) Property is not within the jurisdiction to tax of this state or any other state of the United States if:
 - (A) it is an instrumentality of commerce;
 - (B) it is owned by a foreign domiciliary;
 - (C) it is taxed in the nation where its owner is domiciled;
 - (D) it is used exclusively in foreign commerce; and
 - (E) it is not present in this state for more than a temporary period on January 1.
 - (7) The chief appraiser may consider the following evidence in determining where a property has taxable situs:
 - (A) published schedules, if the property carries passengers and/or cargo on regular routes at regular times;
 - (B) records kept in the normal course of business, such as mileage, flight, or vessel logs, that indicate where the property has traveled, how long it was located at each destination, and the purpose of its location at each destination;
 - (C) reports filed with state or national agencies that indicate where the property has traveled, how long it was located at destination, and the purpose of its location at each destination; and
 - (D) actual tax bills or notices of appraisal or assessment from other jurisdictions.
 - (d) The chief appraiser shall allocate the market value of that property used in interstate or foreign commerce that qualifies for allocation under this subsection.
 - (1) Property qualifies for allocation if it:
 - (A) constitutes a commercial instrument or commercial equipment;
 - (B) is used for a business purpose;
 - (C) has taxable situs in a taxing unit within the appraisal district as provided by Tax Code, §21.02 or §21.021; and
 - (D) is used continually outside Texas in interstate or foreign commerce, whether regularly or irregularly.
 - (2) A commercial instrument or item of business equipment is present in the state for more than a temporary period if:
 - (A) its owner maintains one or more places of business in this state and the property is present in this state on January 1 or at any time during the 12 months preceding January 1; and
 - (B) the property has contact with this state of a character that would permit this state to tax it under applicable federal law.
 - (e) A property owner who is entitled to an allocation of property must file a rendition form that provides enough information necessary to prove the entitlement to allocation and permit the chief appraiser to apply an allocation formula appropriate to the subject property. An appraisal district shall use the comptroller-prescribed, model form Rendition of Property Qualified for Allocation of Value or a form containing information which is in substantial compliance with the model form if approved by the comptroller. Each form shall require the property owner to identify the property that is the subject of the rendition and provide information measuring the use of the property within Texas and within other states or nations. The form must permit the property owner to state an opinion of the total market value of the property and the amount of value that should be allocated to each taxing unit in which the property has situs.
 - (f) If the chief appraiser determines that the property was within the taxing jurisdiction of this state and within the taxing jurisdiction of another state or nation for the same calendar year, he shall allocate to each taxing unit in which the property has situs the portion of the property's market value that fairly reflects its use in this state. If an allocation formula specified in this subsection does not fairly reflect the use of the property in this state and other situs jurisdictions, the chief appraiser may use another formula that more adequately reflects use. Such alternate formulas may include revenue-ton miles, equipment load factors, or other measures of property use.
 - (1) For commercial aircraft property, as defined by Tax Code, §21.055, the chief appraiser shall use the following allocation formula: the fair market value of the aircraft multiplied by a fraction, the numerator of which is the

product of 1.5 and the number of revenue departures by the aircraft from Texas during the preceding tax year and the denominator of which is the greater of:

- (A) the number of hours in a year (8,760); or
 - (B) the numerator.
- (2) For vessels, the chief appraiser will normally use an allocation formula based on port days. The ratio of the days the vessel spends in port in Texas to total days spent in port in all situs jurisdictions is the allocation ratio.
 - (3) For motor vehicles and rolling stock, not including vessels or aircraft, the chief appraiser will normally use an allocation formula based on mileage. The ratio of total miles traveled in Texas during the year to the total miles traveled in all situs jurisdictions during the year is the allocation ratio.
 - (4) For business aircraft property as defined by Tax Code, §21.055, the chief appraiser shall use the following allocation formula: the fair market value of the aircraft multiplied by a fraction, the numerator of which is the number departures by the aircraft from a location in Texas during the preceding tax year and the denominator of which is the number departures by the aircraft from all locations during the preceding tax year.
 - (5) For other equipment, the chief appraiser will normally use an allocation formula based on time. The ratio of time spent in Texas during the year to the total time spent in all situs jurisdictions during the year is the allocation ratio.
- (g) If the appraisal office allocates the value of property in a given year:
 - (1) the chief appraiser shall note on the property's appraisal record for the year:
 - (A) that the allocation has been granted;
 - (B) the market value of the property;
 - (C) the allocation formula factor; and
 - (D) the appraised value of the property after allocation.
 - (2) the chief appraiser shall retain a record of the allocation for three years after it is granted, including:
 - (A) the rendition form requesting allocation;
 - (B) supporting documents filed by the property owner; and
 - (C) the formula chosen and calculations used in making the allocations.
 - (h) The comptroller's forms applicable to this section may be revised at the discretion of the comptroller. Current forms can be obtained from the Comptroller of Public Accounts' Property Tax Assistance Division.

Source Note: The provisions of this §9.4033 adopted to be effective December 13, 1996, 21 TexReg 11816; amended to be effective February 3, 1998, 23 TexReg 800; amended to be effective March 14, 2004, 29 TexReg 2371; amended to be effective October 10, 2010, 35 TexReg 9107

9.4035. Special Types of Personal Property Inventory

- (a) Except as provided in this section, a property owner subject to Tax Code, §§23.121, 23.122, 23.124, 23.1241, 23.1242, 23.125, 23.127, and 23.128 shall use the comptroller's model forms to file declarations and statements pursuant to Tax Code, §§23.121, 23.122, 23.124, 23.1241, 23.1242, 23.125, 23.127, and 23.128.
- (b) If not otherwise prohibited by law, with prior, written approval by the comptroller, a property owner may use customized forms to file declarations applicable to this section that set forth the information in the same language and sequence as the comptroller's model forms.
- (c) A chief appraiser shall make available to a property owner the comptroller's model forms to file declarations applicable to this section. If not otherwise prohibited by law, with prior, written approval by the comptroller, a chief appraiser may make available different forms to file declarations applicable to this section that set forth the information in the same language and sequence as the comptroller's model forms.
- (d) If not otherwise prohibited by law and with prior, written approval by the comptroller, in special circumstances, the chief appraiser may use declaration forms that provide additional information, delete information required by this section, or set out the required information in different language or sequence than that required by this section.

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- (e) Notwithstanding subsections (b)–(d) of this section, as provided by Tax Code, §§23.122, 23.1242, 23.125, and 23.128, only the comptroller’s model forms may be used to comply with Tax Code, §§23.122, 23.1242, 23.125, and 23.128.
 - (f) Forms adopted by reference. The Comptroller of Public Accounts adopts by reference the Retail Manufactured Housing Inventory Declaration form (Form 50-267), the Retail Manufactured Housing Inventory Tax Statement form (Form 50-268), the Dealer’s Heavy Equipment Inventory Declaration form (Form 50-265), and the Dealer’s Heavy Equipment Inventory Tax Statement form (Form 50-266). Copies of these forms can be obtained from the Comptroller of Public Accounts, Property Tax Assistance Division, P.O. Box 13528, Austin, Texas 78711-3528.
 - (g) Other Forms. The following comptroller-prescribed, model forms are not adopted by reference herein and may be revised at the discretion of the comptroller. The comptroller may also prescribe additional forms applicable to this section. Such forms are also not adopted by reference herein and may be revised at the discretion of the comptroller. Current forms can be obtained from the Comptroller of Public Accounts’ Property Tax Assistance Division.
 - (1) Dealer’s Motor Vehicle Inventory Declaration (Form 50-244);
 - (2) Dealer’s Motor Vehicle Inventory Tax Statement (Form 50-246);
 - (3) Dealer’s Vessel and Outboard Motor Inventory Declaration (Form 50-259); and
 - (4) Dealer’s Vessel and Outboard Motor Inventory Tax Statement (Form 50-260).

Source Note: The provisions of this §9.4035 adopted to be effective December 1, 1997, 22 TexReg 11397; amended to be effective January 10, 2000, 25 TexReg 212; amended to be effective September 19, 2010, 35 TexReg 8381; amended to be effective May 8, 2012, 37 TexReg 3417

9.4037. Electronic Delivery of Communications between Tax Officials and Property Owners

- (a) Electronic Delivery of Communications. A communication that is required or permitted by Tax Code, Title 1 (Property Tax Code) to be delivered between a tax official and a property owner or a person designated by a property owner under Tax Code, §1.111(f) shall be delivered electronically if the property owner or person designated by the owner elects to exchange communications with the tax official electronically under Tax Code, §1.085.
- (b) Media, Formats, Content and Methods. The tax official shall implement a process for the receipt and delivery of electronic communications with property owners or persons designated by property owners using any electronic format, which may include the use of electronic mail (email), Internet access, Instant Messaging (IM), Short Message Service (SMS), and other paperless means of communication.
- (c) Request for Electronic Delivery. A property owner or person designated by a property owner under Tax Code, §1.111(f) must make the election by submitting the form prescribed by the comptroller to the applicable tax official(s) in the county where the property is located. A tax official must post on their website method(s) property owners can use to submit the form. The election remains in effect until rescinded in writing by the property owner or the person designated by the owner under Tax Code, §1.111(f).
- (d) Guidelines. The Comptroller of Public Accounts will publish and periodically revise the Guidelines for Electronic Communications. Current guidelines can be obtained from the Comptroller of Public Accounts, Property Tax Assistance Division website at <https://comptroller.texas.gov/taxes/property-tax/rules/index.php>.

Source Note: The provisions of this §9.4037 adopted to be effective November 27, 2024, 49 TexReg 9567

9.4038. Definition of Petroleum Products

For the purposes of administration and operation of appraisal districts, the term “liquid or gaseous materials that are the immediate derivatives of the refining of oil or natural gas,” as used in the Tax Code, §11.251, means the following products:

- (1) ethane;
- (2) propane;
- (3) butane;
- (4) normal butane;
- (5) isobutane;
- (6) butane-propane;

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- (7) motor gasoline;
 - (8) natural gasoline;
 - (9) kerosene;
 - (10) home heating oil;
 - (11) diesel fuel;
 - (12) other middle distillates;
 - (13) aviation gasoline;
 - (14) kerosene-type jet fuel;
 - (15) naphtha-type jet fuel;
 - (16) fuel oil #4 for utility use;
 - (17) fuel oils #5, #6 for utility use;
 - (18) fuel oil #4 for nonutility use;
 - (19) fuel oils #5, #6 for nonutility use;
 - (20) bunker C;
 - (21) navy special;
 - (22) lubricants;
 - (23) special naphtha;
 - (24) solvent products; and
 - (25) crude oil.

Source Note: The provisions of this §9.4038 adopted to be effective February 1, 2024, 49 TexReg 421

SUBCHAPTER K. ARBITRATION OF APPRAISAL REVIEW BOARD DETERMINATIONS

Division 1 – General Rules

§9.4201 Scope and Construction of Rules; Computation of Time

- (a) Scope of rules. The rules in this subchapter shall govern:
 - (1) the procedures concerning regular binding arbitration to appeal values determined by local appraisal review boards under Tax Code, §41A.01;
 - (2) the procedures concerning limited binding arbitration for certain alleged procedural violations during the local protest process under Tax Code, §41A.015; and
 - (3) the comptroller’s registry of arbitrators.
- (b) Construction of rules. Unless otherwise provided, this subchapter shall be construed in accordance with the Code Construction Act, Government Code, Chapter 311.
- (c) Computation of time. Computation of time shall be consistent with the Code Construction Act, Government Code, §311.014, and Tax Code, §1.06.

Source Note: The provisions of this §9.4201 adopted to be effective April 16, 2024, 49 TexReg 4302

§9.4202 Definitions

The following phrases, words, and terms, when used in this subchapter shall have the following meanings, unless the context clearly indicates otherwise.

- (1) **Agent** – An individual, authorized under Tax Code, §41A.08(b) or §41A.015(h), and §9.4205 of this title, as applicable, to represent a party in arbitration.

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- (2) Appraisal district – A political subdivision established in each county responsible for appraising property in the county for ad valorem tax purposes for each taxing unit that imposes such taxes on property in the county.
 - (3) Appraisal review board (ARB) – The board established in a county’s appraisal district pursuant to Tax Code, §6.41, authorized to hear and resolve disputes between property owners and the appraisal district.
 - (4) Appraised value – The value of property determined under the appraisal methods and requirements of Tax Code, Chapter 23.
 - (5) Arbitration – A form of conflict resolution in which all parties agree that an arbitrator will consider the evidence and render a binding decision. This term includes the two types of arbitration governed by this subchapter: regular binding arbitration and limited binding arbitration. The terms “arbitration,” “binding arbitration,” and “arbitration proceeding” are synonymous as used in this subchapter and include the term “arbitration hearing,” the specific event at which evidence is presented to an arbitrator.
 - (6) ARB order – An ARB’s written decision issued under Tax Code, §41.47.
 - (7) Authorized individual – An individual with the legal authority to act on behalf of the property owner, a legal guardian, or one who holds a valid power of attorney. Where the property owner is a business entity, this term includes the designated employee of that entity. This term does not include an individual appointed as an agent for binding arbitration under §9.4205 of this title or under Tax Code, §1.111.
 - (8) Chief Appraiser – The chief administrator of the appraisal district.
 - (9) Comptroller – The Texas Comptroller of Public Accounts and employees and designees of the comptroller.
 - (10) Division director – The director of the Property Tax Assistance Division of the Texas Comptroller of Public Accounts or the division director’s designee.
 - (11) Individual – A single human being.
 - (12) Limited Binding Arbitration (LBA) – A process that allows a property owner through binding arbitration to request that an arbitrator compel the ARB or the chief appraiser to take certain procedural actions under Tax Code, §41A.015.
 - (13) LBA award – A final decision rendered by an arbitrator resolving the matter submitted for their consideration in an LBA case.
 - (14) Market value – Has the meaning assigned by Tax Code, §1.04(7).
 - (15) Online arbitration system – A web-based software application designed to electronically administer the binding arbitration program consistent with this subchapter.
 - (16) Party – The property owner, property owner’s agent, ARB, or appraisal district.
 - (17) Property owner – The authorized individual or a person having legal title to property. The term does not include lessees who have the right to protest property valuations before ARBs.
 - (18) Regular Binding Arbitration (RBA) – A process under Tax Code, §41A.01, that allows a property owner to contest an ARB order determining a protest through binding arbitration.
 - (19) RBA award – A final decision rendered by an arbitrator resolving the matter submitted for their consideration in an RBA case.

Source Note: The provisions of this §9.4202 adopted to be effective April 16, 2024, 49 TexReg 4302

§9.4203 Prohibited Communications Regarding Pending Arbitrations

- (a) Prohibited communications. Parties to an arbitration and arbitrators assigned to an arbitration shall not seek the comptroller’s advice or direction on a matter relating to a pending arbitration under Tax Code, Chapter 41A.
- (b) Pending arbitration. An arbitration is pending from the date a request for binding arbitration is filed until the date of delivery of the LBA or RBA award pursuant to Tax Code, §41A.09.
- (c) Exception. The prohibition in subsection (a) of this section shall not apply to the comptroller’s processing and curing of requests for binding arbitration and deposits or other administrative matters.

Source Note: The provisions of this §9.4203 adopted to be effective April 16, 2024, 49 TexReg 4302

§9.4204 Filing Requests for Binding Arbitration and Deposit Payments

- (a) Electronic filing.
 - (1) This subsection applies to requests for binding arbitration filed on or after the later of January 1, 2024, or the first day the comptroller makes the online arbitration system available for the administration of the binding arbitration program. Requests for binding arbitration filed before the later of January 1, 2024, or the first day the comptroller makes the online arbitration system available, must use paper-based filing under subsection (b) of this section.
 - (2) Arbitrators, appraisal districts, ARBs, agents, and property owners who are working with an agent are required to register with the online arbitration system and use the online arbitration system to complete required forms referenced in this subchapter, pay required arbitration deposits online, and receive notifications by email under this subchapter.
 - (3) A property owner who does not appoint an agent may:
 - (A) register with the online arbitration system and use the online arbitration system to complete required forms referenced in this subchapter, pay required arbitration deposits online, and receive notifications by email under this subchapter; or
 - (B) use the paper-based filing method described in subsection (b) of this section.
 - (4) Use of an email address or other information to access the online arbitration system is a voluntary disclosure constituting consent to the collection and disclosure of the information for the purposes for which it was requested. This information may be subject to disclosure under the Texas Public Information Act.
- (b) Paper-based filing. The following parties must mail the applicable request form pursuant to the instructions provided on the form and include a check or money order for the required arbitration deposit payable to the comptroller:
 - (1) a property owner or property owner's agent, if the request for binding arbitration is filed before the later of January 1, 2024, or the first day the comptroller makes the online arbitration system available; and
 - (2) a property owner who does not appoint an agent and who chooses not to use the online arbitration system.
- (c) Deposit payments. A request for binding arbitration is not officially submitted until the required deposit is paid. If the request is filed using electronic filing under subsection (a) of this section, the deposit must be paid through the online arbitration system. If the request is filed using paper-based filing under subsection (b) of this section, the deposit must be paid by including a check or money order with the request for binding arbitration form.
- (d) Requirements for refund recipient.
 - (1) Except as provided in paragraphs (2) and (3) of this subsection, the property owner shall designate the refund recipient on the request for binding arbitration.
 - (2) If the property owner appoints an agent under §9.4205 of this title, the agent may designate the refund recipient on the request for binding arbitration by designating the refund recipient that the property owner designated in the appointment of agent for binding arbitration form.
 - (3) The refund recipient's name, mailing address, phone number, and one of the following Internal Revenue Service identification numbers for the refund recipient, must be provided on the request for binding arbitration:
 - (A) Social Security Number (SSN);
 - (B) Individual Taxpayer Identification Number (ITIN) issued by the Internal Revenue Service to individuals not eligible to obtain an SSN; or
 - (C) Federal Employer Identification Number (FEIN).
 - (4) To protect the confidentiality of the refund recipient's identification number, the comptroller shall assign a Texas Identification Number (TIN) to serve as the payee account number on any warrants issued by the comptroller.

Source Note: The provisions of this §9.4204 adopted to be effective April 16, 2024, 49 TexReg 4302

§9.4205 Agent Representation in Binding Arbitration

- (a) Professional qualifications. Property owners may represent themselves or choose to be represented by an agent. An agent must hold a current and active license, certification, or registration in one of the following fields:

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- (1) an attorney licensed to practice in Texas;
 - (2) a real estate broker or sales agent licensed under Occupations Code, Chapter 1101;
 - (3) a real estate appraiser licensed under Occupations Code, Chapter 1103;
 - (4) a property tax consultant registered under Occupations Code, Chapter 1152; or
 - (5) a certified public accountant licensed under Occupations Code, Chapter 901.
- (b) Required documentation.
- (1) The property owner must complete and sign the appointment of agent for binding arbitration form. No other agent appointment, authorization form, or document will be accepted.
 - (2) Neither the individual being appointed as an agent under this subsection, nor an agent appointed under Tax Code, §1.111, may sign the form described in paragraph (1) of this subsection on behalf of the property owner.
 - (3) For requests for binding arbitration filed with the comptroller on or after January 1, 2024, the agent shall retain the form and shall produce the form immediately upon request from the property owner, appraisal district, ARB, arbitrator assigned to the arbitration, or comptroller under Tax Code, §41A.08(d).
 - (4) Failure of the agent to produce the form immediately upon request as required by Tax Code, §41A.08(d), or production of an invalid form, shall result in dismissal of the request for binding arbitration and may result in loss of the arbitration deposit.
- (c) Agent responsibilities. Authorized agents may take the following actions in an arbitration on a property owner's behalf:
- (1) file online requests for binding arbitration and pay the required arbitration deposit through the online arbitration system;
 - (2) receive a potential refund of an arbitration deposit, if the agent is designated as a refund recipient under §9.4204(d) of this title;
 - (3) send and receive communications regarding the arbitration;
 - (4) negotiate with the appraisal district to try to settle the case before the arbitration hearing;
 - (5) execute a settlement agreement with the appraisal district to resolve the case;
 - (6) withdraw a request for binding arbitration; and
 - (7) appear and represent the property owner at the arbitration hearing.
- (d) Designation of specific individual.
- (1) The property owner must identify on the appointment of agent for binding arbitration form a specific individual to act as an agent and provide the agent's license number for the specific type of license, certification, or registration that qualifies the individual to act as an agent under subsection (a) of this section.
 - (2) The property owner may also appoint an alternate agent on the appointment of agent for binding arbitration form. Unless the alternate agent is with the same organization as the first agent, the alternate agent shall not be authorized to act on a property owner's behalf unless the alternate agent provides written notice to the appraisal district and the appointed arbitrator that the first agent is not available. For LBA, a copy of the notice must also be provided to the ARB.
 - (3) A company or business entity does not qualify to act as an agent.
- (e) Agent representation at arbitration hearing. Only the individual(s) identified on the appointment of agent for binding arbitration form may undertake representation of the property owner in the arbitration for which the request for binding arbitration was submitted. No other individual, including a licensed attorney, may act on the property owner's behalf in that proceeding unless another subsequently executed appointment of agent for binding arbitration form is completed and signed.
- (f) Agents for non-individual property owners. The property owner's name, current mailing address, phone number, and email address, if available, must be provided on the appointment of agent for binding arbitration form. If the property owner is not an individual, an authorized individual shall complete and sign the form on behalf of the property owner. The authorized individual's name and contact information must be provided on the form, as well as the basis for the authorized individual's authority.
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- (g) Duration of agent appointment. The appointment of agent for binding arbitration form is valid for three years from the date of execution, unless revoked. The property owner may revoke the appointment of an agent or alternate agent at any time by delivery of written notice to the agent, and all alternate agents, if any are appointed, to the address provided on the form or the agent's last known address. A copy of the revocation notice must also be provided to the comptroller, appraisal district, and the arbitrator assigned to the case, if an arbitrator is assigned. For LBA, a copy of the revocation notice must also be provided to the ARB.
 - (h) Agent certifications. In undertaking representation of the property owner pursuant to Tax Code, §41A.08(b), each agent must certify that:
 - (1) they are acting as a fiduciary on behalf of the property owner in the specific arbitration proceeding for which the request for binding arbitration was filed and agree to undertake the responsibilities specified in subsection (c) of this section; and
 - (2) the property owner knowingly authorized the agent's filing of the request for binding arbitration and the agent's representation of the property owner in the arbitration.

Source Note: The provisions of this §9.4205 adopted to be effective April 16, 2024, 49 TexReg 4302

§9.4206 Appraisal District Responsibility for Processing Request

- (a) Appraisal district responsibilities.
 - (1) If a request for RBA is filed before the later of January 1, 2024, or the first day the comptroller makes the online arbitration system available, within 10 calendar days of receipt of each request for binding arbitration under Tax Code, §41A, the appraisal district shall:
 - (A) assign a unique arbitration number to each request for RBA;
 - (B) complete and sign that portion of the request for RBA form applicable to the appraisal district, based on examination of the documentation submitted;
 - (C) deliver each request for RBA form, the accompanying deposit, the ARB order (as well as the appointment of agent for binding arbitration form, if provided), and supporting documentation for any items not checked in the appraisal district portion of the request for RBA form, if applicable, to the comptroller's office by certified first-class mail, and simultaneously deliver a copy of the submission to the property owner or property owner's agent, as appropriate, by regular first-class mail or email; and
 - (D) provide promptly any additional information the comptroller's office requests to process the request for binding arbitration submission.
 - (2) If a request for RBA or LBA is filed on or after the later of January 1, 2024, or the first day the comptroller makes the online system available, within 10 calendar days of notification by the comptroller of each request for binding arbitration under Tax Code, §41A, the appraisal district shall, using the online arbitration system:
 - (A) review each request for binding arbitration;
 - (B) verify property account details;
 - (C) assign an appraisal district contact for the arbitration hearing;
 - (D) enter the contact information for an ARB contact for LBA cases;
 - (E) indicate any potential defects, including any discrepancies or jurisdictional issues, that affect the deposit amount or the eligibility of a property to be included on the request for binding arbitration; and
 - (F) upload supporting documentation for any potential defects, including any discrepancies or jurisdictional issues, identified in the review process.
- (b) Comptroller's request for additional information. The appraisal district shall provide to the comptroller any additional information the comptroller requests to process the request for binding arbitration within 15 calendar days of the comptroller's request.
- (c) Notification if new ARB hearing is mandated. Where an LBA award mandates a new ARB hearing associated with a pending request for RBA, the appraisal district shall promptly notify the comptroller.

Source Note: The provisions of this §9.4206 adopted to be effective April 16, 2024, 49 TexReg 4302

§9.4207 Comptroller Processing of Request

- (a) No defects identified. If no defects are identified by the comptroller or by the appraisal district under §9.4206(a)(2)(E) of this title, the comptroller shall notify the appraisal district and the property owner or the property owner's agent that the request for binding arbitration has been processed and provide the arbitration number assigned by the comptroller. For LBA, a copy of the notice must also be provided to the ARB.
- (b) Defects identified. If the appraisal district or the comptroller identifies defects on the request for binding arbitration that affect the deposit or property eligibility, the comptroller shall review the request to determine whether it can be processed or requires a cure under subsection (d) of this section.
- (c) Deposit not honored or insufficient. If a property owner using paper-based filing under §9.4204(b) of this title pays the deposit with a check that is not honored, the property owner shall submit to the comptroller a check issued and guaranteed by a banking institution (i.e., a cashier's or teller's check) or money order. If a property owner using paper-based filing under §9.4204(b) of this title pays the deposit with a check or money order that is for less than the required deposit amount under §9.4221 or §9.4241 of this title, the property owner shall submit to the comptroller a supplemental check or money order sufficient to pay the full deposit. If a property owner or the property owner's agent using the online arbitration system pays the deposit with a credit card or electronic funds transfer (eCheck) that is not honored, the property owner or the property owner's agent shall submit another electronic payment to the comptroller. Such payments must be received no later than 15 calendar days after the notice of the defect is delivered under subsection (d) of this section.
- (d) Cure period. If a request for binding arbitration is defective, the comptroller shall notify the property owner or the property owner's agent of the defect, the process to file a cure for the defect, and the date the cure is due. Mailed notices are deemed delivered when deposited in the mail. If notified by email or on the online arbitration system, the notification is deemed delivered on the date the comptroller transmits the email or notice.
- (e) Cure resolution. If the property owner or the property owner's agent provides documentation, payment, or information that cures the defect within 15 calendar days of the comptroller's notice, the comptroller shall process the request for binding arbitration and notify the appraisal district and property owner or the property owner's agent. For LBA, a copy of the notice must also be provided to the ARB.
- (f) Failure to cure. If the property owner or the property owner's agent fails to cure any defect that the comptroller determines to be curable within 15 calendar days of the comptroller's notice, the request for binding arbitration shall not be processed any further and shall be closed, the comptroller shall notify the parties of the comptroller's action, and the comptroller shall refund the deposit pursuant to §9.4209 of this title.
- (g) Processing is not certification of requirements. The comptroller's processing of a request does not certify that the request meets all statutory requirements and requests may still be dismissed by an arbitrator for lack of jurisdiction.
- (h) Dispute. If there is a dispute regarding whether there is jurisdiction for an arbitration under §9.4223 or §9.4244 of this title, the request for binding arbitration shall be forwarded to the arbitrator and the arbitrator shall render a determination on jurisdiction. Arbitrators shall determine whether a request meets all statutory criteria and shall dismiss the request if it satisfies the criteria for dismissal under §9.4223 or §9.4244 of this title. Dismissal of the request may result in the loss of the requestor's deposit.

Source Note: The provisions of this §9.4207 adopted to be effective April 16, 2024, 49 TexReg 4302

§9.4208 Withdrawing a Request

- (a) Notice of withdrawal. A property owner or the property owner's agent using the online arbitration system under §9.4204(a) of this title must withdraw a request for binding arbitration using the online arbitration system. A property owner or the property owner's agent using paper-based filing under §9.4204(b) of this title must deliver a written notice of the withdrawal to all parties and the comptroller.
- (b) Timely withdrawal. If the comptroller receives the notice of withdrawal before an arbitrator accepts the case, the notice is considered timely, and the deposit will be refunded pursuant to §9.4209 of this title.
- (c) Untimely withdrawal. If the comptroller receives the notice of withdrawal after an arbitrator accepts the case, the notice is considered untimely and the arbitrator is entitled to charge a fee, up to the amount allowed in §9.4226 or §9.4247 of this title, as applicable, out of the deposit.

Source Note: The provisions of this §9.4208 adopted to be effective April 16, 2024, 49 TexReg 4302

§9.4209 Refund and Arbitrator Fee Processing

- (a) Administrative costs. The comptroller shall retain \$50 of every arbitration deposit to cover the comptroller's administrative costs.
- (b) Refund recipients. Any deposit refunds will be issued to the refund recipient designated on the request for binding arbitration.
- (c) Refund amounts.
 - (1) A deposit refund shall be issued to the property owner or property owner's agent in the amount of the deposit less the \$50 comptroller administrative fee if:
 - (A) the request for binding arbitration is closed due to a defect that could not be cured or due to a defect that was not cured;
 - (B) the request for binding arbitration is timely withdrawn;
 - (C) the arbitration is dismissed in its entirety due to delinquent property taxes;
 - (D) the LBA award found a procedural violation in accordance with §9.4226 of this title; or
 - (E) the RBA award is in favor of the property owner in accordance with §9.4247(b) of this title.
 - (2) A deposit refund, if any, shall be issued in the amount of the deposit less the arbitrator's fee and the \$50 comptroller administrative fee if:
 - (A) the request for binding arbitration is not timely withdrawn;
 - (B) the arbitration is dismissed in its entirety for lack of jurisdiction under §9.4223(a)(2)-(9) or §9.4244(a)(2)-(8) of this title;
 - (C) the LBA award did not find a procedural violation in accordance with §9.4226 of this title; or
 - (D) the RBA award is not in favor of the property owner in accordance with §9.4247(b) of this title.

Source Note: The provisions of this §9.4209 adopted to be effective April 16, 2024, 49 TexReg 4302

§9.4210 Forms

- (a) Adoption by reference. The comptroller adopts by reference:
 - (1) the request for RBA form; and
 - (2) the RBA award form.
- (b) Revision and addition of forms. Except as provided by subsection (a) of this section, all comptroller forms regarding binding arbitration under Tax Code, Chapter 41A, may be revised at the discretion of the comptroller. The comptroller may also prescribe additional forms for the administration of binding arbitration.

Source Note: The provisions of this §9.4210 adopted to be effective April 16, 2024, 49 TexReg 4302

§9.4211 Communication with Property Owner, Property Owner's Agent, ARB, Appraisal District and Arbitrator

Except as otherwise provided in Tax Code, §41A.015(b)(1) or §41A.015(i), these rules, or other law, as applicable, the property owner, property owner's agent, ARB, appraisal district, and arbitrator, as applicable, may provide written communications, notifications, and materials to each other using email, first-class mail, or any other method acceptable to the intended recipient of the communication, notification, or materials. Any written communications, notifications, and materials provided to the arbitrator shall also be provided to all other parties to the arbitration.

Source Note: The provisions of this §9.4211 adopted to be effective April 16, 2024, 49 TexReg 4302

§9.4212 Arbitration Proceedings

- (a) Necessary Parties. Necessary parties to LBA under Tax Code, §41A.015, include the property owner or the property owner's agent, the chief appraiser, and the ARB. Necessary parties to RBA under Tax Code, §41A.01, include the property owner or the property owner's agent and the appraisal district.

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- (b) Requirements. An arbitrator who accepts an appointment shall conduct each arbitration proceeding pursuant to the terms of Tax Code, Chapter 41A, and this subchapter, and for a fee that is not more than the applicable amount stated in Tax Code, §41A.015(p)(2) or §41A.06(b)(4), as applicable.
 - (c) Arbitrator professionalism. The arbitrator shall determine the level of formality or informality of arbitration proceedings; however, the arbitrator must behave professionally while rendering arbitration services. The arbitrator shall not engage in conduct that creates a conflict of interest.
 - (d) Arbitration hearing types. Arbitrations may be conducted in person or by telephone or video conference call. The arbitrator may decide the manner of the arbitration hearing unless the property owner or the property owner's agent selects a specific format on the request for binding arbitration.
 - (e) In-person arbitration hearing requirements. Unless all necessary parties agree otherwise, if the arbitration is conducted in person, the arbitrator and all necessary parties shall appear in person for the arbitration hearing. If the arbitration is in person, the arbitration hearing must be held in the county where the subject property is located, unless all necessary parties agree to another location. The selected location must be in an office-like setting generally open to the public or to the arbitrator. The arbitrator is responsible for identifying and reserving the arbitration hearing location and is responsible for any location costs incurred. Neither the property owner, the appraisal district, nor the ARB, may be charged an additional fee or requested to provide additional monies to participate in an in-person arbitration.
 - (f) Arbitrator initiation of arbitration hearing. Promptly upon acceptance of an appointment, the arbitrator shall contact all necessary parties by telephone or email to notify the parties of the arbitrator's appointment, propose one or more dates for the arbitration hearing, and request alternate arbitration hearing dates from the parties if the date(s) proposed is not acceptable. The arbitrator should cooperate with all necessary parties in scheduling the arbitration hearing.
 - (g) Notice of arbitration hearing. The arbitrator shall set the arbitration hearing date and serve written notice of the arbitration hearing under subsection (h) of this section as follows:
 - (1) where the arbitrator received written agreement from all necessary parties on an arbitration hearing date, the arbitrator shall serve the written notice of arbitration hearing to all necessary parties in the method acceptable to each party; or
 - (2) where written agreement from all necessary parties is not obtained after 14 calendar days of the arbitrator's initial contact attempt under subsection (f) of this section, the arbitrator shall set the arbitration hearing date, providing a minimum of 21 calendar days' notice before the arbitration hearing, and shall serve the notice of arbitration hearing by:
 - (A) serving a copy of the notice to all necessary parties by email, if available; and
 - (B) providing a paper copy of the notice to the property owner through the U.S. Postal Service or a private third-party service such as FedEx or United Parcel Service (UPS) as long as proof of delivery is provided.
 - (h) Contents of arbitration hearing notice. The arbitrator shall include the following information in the written notice of arbitration hearing:
 - (1) the arbitration number;
 - (2) the date and time of the arbitration hearing;
 - (3) the physical address of the arbitration hearing location if the arbitration hearing is in person, or instructions concerning how to participate in the arbitration hearing if the hearing is by telephone or video conference call;
 - (4) the date by which the parties must exchange evidence before the arbitration hearing;
 - (5) the arbitrator's contact information, including email address, phone number, and mailing address, as well as a fax number, if available;
 - (6) a copy of the arbitrator's written procedures for the arbitration hearing;
 - (7) the methods by which the parties are to communicate and exchange materials, including by electronic means, U.S. first-class mail, or overnight or personal delivery; and
 - (8) any other matter about which the arbitrator wishes to advise the parties before the arbitration hearing.
 - (i) Continuance. The arbitrator may continue an arbitration hearing:
 - (1) for reasonable cause; or

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- (2) if all necessary parties agree to the continuance.
- (j) Failure to appear and waiver of defective notice. The arbitrator may hear and determine the controversy on the evidence produced at the arbitration hearing as long as notice was provided pursuant to subsection (g) of this section. Appearance at the arbitration hearing waives any defect in the notice.
 - (k) Evidence. Each party at the arbitration hearing is entitled to be heard, present evidence material to the controversy, and cross-examine witnesses. The arbitrator shall ask each witness testifying to swear or affirm that the testimony they are about to give shall be the truth, the whole truth, and nothing but the truth. The arbitrator's decision is required to be based solely on the evidence provided at the arbitration hearing.
 - (l) Availability of arbitration hearing procedures. The arbitrator shall have a written copy of the arbitrator's hearing procedures available at the arbitration hearing.
 - (m) Recording proceedings. The parties shall be allowed to record audio of the proceedings. Video recordings require the consent of the arbitrator.
 - (n) Confidentiality. Information provided to an arbitrator that is made confidential by law may not be disclosed except as provided by law. That portion of the materials considered confidential must be designated as such to protect it from disclosure.
 - (o) Ex parte communications. The arbitrator shall not initiate, permit, or consider an ex parte communication made to the arbitrator by a party outside the presence of the other parties at any time before the LBA or RBA award is issued, concerning specific evidence, argument, facts, or the merits of the arbitration. Such ex parte communications may be grounds for the removal of the arbitrator from the comptroller's registry of arbitrators.
 - (p) Processing time. The arbitrator must complete an arbitration proceeding in a timely manner and must make every effort to complete the proceeding within 120 calendar days after the arbitrator's acceptance of the appointment. Failure to timely complete arbitration proceedings may constitute good cause for removal from the comptroller's registry of arbitrators.

Source Note: The provisions of this §9.4212 adopted to be effective April 16, 2024, 49 TexReg 4302

§9.4213 Substitution of Arbitrator Assigned to Arbitration Hearing

- (a) Substitution prior to arbitration hearing. The comptroller shall remove an arbitrator from an arbitration and substitute a different arbitrator prior to the arbitration hearing taking place if the division director determines by clear and convincing evidence there is good cause for such removal.
- (b) Substitution prior to award. After an arbitration hearing is held and prior to issuance of the award, an arbitrator may be removed from an arbitration and a substitute arbitrator appointed where a disaster or emergency, as defined by Government Code, §418.004 or §433.001, impacts the arbitrator's ability to complete the arbitration in compliance with this subchapter. Substitution may also take place if, as determined by the division director in the exercise of the division director's discretion, the arbitrator experiences a personal emergency, rendering them incapable of completing the arbitration in compliance with this subchapter. The substitute arbitrator appointed under this subsection shall comply with Subchapter K of this chapter in facilitating and completing a new hearing.
- (c) Good cause for substitution. Good cause for substitution under subsection (a) of this section includes the following:
 - (1) the individual is not eligible or becomes ineligible under the terms of §9.4260 or §9.4263 of this title, as applicable;
 - (2) the individual violates one or more provisions of this subchapter;
 - (3) there is a pending request for the arbitrator's removal from the registry of arbitrators and the division director, in the exercise of the division director's discretion, believes the request could impact the arbitrator's ability to conduct a fair and impartial arbitration hearing; or
 - (4) the division director determines, in the exercise of the division director's discretion, that substitution is in the interests of providing for a fair, impartial arbitration hearing.
- (d) Clear and convincing evidence. For purposes of this section, clear and convincing evidence means the measure or degree of proof that produces a firm belief or conviction of the truth of the allegations.

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- (e) Filing of substitution request. A party to an arbitration may request the substitution of an arbitrator by filing a written request with the division director. Requests must be received with sufficient time to process and investigate the request prior to the arbitration hearing if filed under subsection (a) of this section or prior to the award being issued if filed under subsection (b) of this section. If the arbitration hearing is held prior to resolution of a request under subsection (a) of this section, or an award is issued prior to resolution of a request under subsection (b) of this section, the request will be dismissed. All requests must contain the following:
 - (1) a letter, addressed to the division director and signed by the requestor, that identifies the arbitration, arbitrator, and the grounds for substitution under subsection (b) or (c) of this section; and
 - (2) copies of all available communications exchanged between the arbitrator and the parties, as applicable, that support the request.
 - (f) Confidentiality. Information reviewed under this section that is made confidential by law may not be disclosed except as provided by law. That portion of the materials considered confidential must be designated as such to protect it from disclosure.
 - (g) Dismissals. Requests for substitution shall be dismissed if:
 - (1) the conduct complained of does not meet the requirements of subsection (b) or (c) of this section; or
 - (2) the complaint is not timely or otherwise fails to meet the requirements of subsection (e) of this section.
 - (h) Processing time. The comptroller shall examine the request for substitution in a timely manner.
 - (i) Cure period. If good cause for substitution is found, the arbitrator shall be notified by the comptroller and, where applicable, given the chance to cure the violation by the deadline established in the comptroller's notice. If the arbitrator does not cure the violation by the deadline established in the comptroller's notice, the arbitrator shall be removed and a new arbitrator substituted. The comptroller shall keep a record of any removals under subsection (a) of this section in the arbitrator's file.
 - (j) No appeal. The determination of a request for substitution, including dismissal of the request, or the removal of an arbitrator under this section is final and may not be appealed.

Source Note: The provisions of this §9.4213 adopted to be effective April 16, 2024, 49 TexReg 4302

Division 2 – Limited Binding Arbitration for Procedural Violations

§9.4220 Request for LBA

- (a) Actions reviewable in LBA. A property owner who has filed a notice of protest under Tax Code, Chapter 41, may file a request for LBA to compel the ARB or the chief appraiser to take certain actions under Tax Code, §41A.015(a).
- (b) Waiver of right to seek LBA. A property owner waives their right to seek LBA under Tax Code, §41A.015, if:
 - (1) under Tax Code, §41A.015(a)(5), there was no request that the ARB hearing be postponed, or the property owner or the property owner's agent was offered a postponement and chose to proceed with the ARB protest; or
 - (2) under Tax Code, §41A.015(a)(7), there was an offer to postpone the ARB hearing upon the objected-to evidence being provided and the property owner or the property owner's agent chose to proceed with the ARB protest.
- (c) Requirements for processing. A request for LBA that meets the following terms and conditions will be processed by the comptroller:
 - (1) The request was submitted in accordance with Tax Code, §41A.015, §9.4204 of this title, and this section.
 - (2) The request includes a deposit that meets the requirements of §9.4204 and §9.4221 of this title.
- (d) Multiple alleged violations or properties. LBA requests are confined to a single tax year and a single property owner. The property owner may file for multiple alleged procedural violations for a single property or for multiple properties owned by a single property owner. If the request involves multiple alleged procedural violations or multiple properties, each individual allegation and property must separately meet the requirements of this section, except that a single deposit is required.

Source Note: The provisions of this §9.4220 adopted to be effective April 16, 2024, 49 TexReg 2311

§9.4221 LBA Deposit

- (a) Deposit amount. A deposit shall be submitted with each request for LBA in the following amount, as applicable:
 - (1) \$450 if the property qualifies as the property owner's residence homestead under Tax Code, §11.13, and the appraised or market value, as applicable, is \$500,000 or less as determined by the appraisal district for the most recent tax year.
 - (2) \$550 for all property not subject to paragraph (1) of this subsection.
- (b) Multiple properties. Where the property owner has appealed multiple properties, with one or more qualifying under subsection (a)(1) of this section and one or more qualifying under subsection (a)(2) of this section; the deposit must be made in the amount of subsection (a)(2) of this section.

Source Note: The provisions of this §9.4221 adopted to be effective April 16, 2024, 49 TexReg 2311

§9.4222 Comptroller Appointment of Arbitrators for LBA

- (a) Qualifications. The comptroller shall appoint to a pending request for LBA an individual who meets the requirements of Tax Code, §41A.015(p) and is included in the registry of arbitrators under §9.4260 of this title.
- (b) Use of computer system for appointment. The comptroller shall use a computer system that distributes the arbitration appointments as evenly as possible among qualified and eligible arbitrators included in the registry of arbitrators.

Source Note: The provisions of this §9.4222 adopted to be effective April 16, 2024, 49 TexReg 2311

§9.4223 Dismissal for Lack of Jurisdiction

- (a) Reasons for dismissal. The arbitrator shall dismiss a pending request for LBA with prejudice, for lack of jurisdiction, if:
 - (1) except as allowed by Tax Code, §41A.10, taxes on the property subject to the appeal are delinquent because, for any prior year, all property taxes due have not been paid or because, for the year at issue, the undisputed tax amount was not paid before the delinquency date set by the applicable section of Tax Code, Chapter 31;
 - (2) no notice of protest under Tax Code, Chapter 41, was filed prior to the request for LBA being filed under Tax Code, §41A.015(a);
 - (3) the requestor seeks to compel the ARB or chief appraiser to take an action that is not authorized by Tax Code, §41A.015(a);
 - (4) the requestor failed to timely provide written notice to the chair of the ARB, the chief appraiser, and the taxpayer liaison officer for the applicable appraisal district by certified mail, return receipt requested, of the procedural requirement(s) with which the property owner alleges the ARB or chief appraiser was required to comply under Tax Code, §41A.015(b)(1);
 - (5) the requestor failed to timely file the request for LBA under Tax Code, §41A.015(d), which requires filing it no earlier than the 11th day and no later than the 30th day after the date the property owner delivered the notice required by Tax Code, §41A.015(b)(1);
 - (6) the chief appraiser or ARB chair delivered a written statement to the property owner on or before the 10th day after the notice described by Tax Code, §41A.015(b)(1), was delivered confirming that the ARB or chief appraiser would comply with the requirement or cure a failure to comply with the requirement;
 - (7) a lawsuit was filed in district court regarding the same issues, for the same properties, and for the same tax year for which the request was filed;
 - (8) the property owner or the property owner's agent and the appraisal district have executed a written agreement resolving the matter; or
 - (9) the request for LBA was not filed by the property owner or was filed by an agent without proper authority as described by Tax Code, §41A.08 and §9.4205 of this title.
- (b) An arbitrator shall dismiss any individual properties for which subsection (a) of this section applies and the case will move forward with only the remaining properties.

Source Note: The provisions of this §9.4223 adopted to be effective April 16, 2024, 49 TexReg 2311; amended to be effective October 14, 2024, 49 TexReg 8396

§9.4224 LBA Award

- (a) Questions of jurisdiction. In all arbitrations, the arbitrator shall first determine any questions of jurisdiction.
- (b) Arbitrator's determination. If jurisdiction exists, the arbitrator shall render a determination on whether there was a violation of the procedural requirements submitted for review. A separate determination must be made for each individual alleged procedural violation and each individual property. If a violation is found, the arbitrator shall direct the ARB or chief appraiser, as applicable, to either comply with the procedural requirement or, if the ARB determination has been issued, to rescind the ARB order and hold a new ARB hearing that complies with the procedural requirements.
- (c) Arbitrator's award. Within 20 calendar days of the conclusion of the arbitration hearing, the arbitrator shall render and issue an LBA award in the online arbitration system. The arbitrator shall deliver a copy of the LBA award by first class mail to any property owner not participating in the online arbitration system.
- (d) No appeal of LBA award. An LBA award is final and may not be appealed.

Source Note: The provisions of this §9.4224 adopted to be effective April 16, 2024, 49 TexReg 2311

§9.4225 Correction of Procedural Violations

Upon receipt of the LBA award, the chief appraiser or ARB, as applicable, shall:

- (1) Take any action required to comply with the requirements of the LBA award;
- (2) Rescind the ARB order and schedule and conduct a new ARB hearing, as applicable; and
- (3) Notify the comptroller if there is a pending request for RBA under Tax Code, §41A.01, involving the same tax year, property owner, and properties.

Source Note: The provisions of this §9.4225 adopted to be effective April 16, 2024, 49 TexReg 2311

§9.4226 Payment of Arbitrator Fees

- (a) Amount of arbitrator fee. The arbitrator fee for LBA shall not exceed the applicable amount specified in Tax Code, §41A.015(p)(2).
- (b) Multiple properties. Where the property owner has appealed multiple properties, some qualifying under Tax Code, §41A.015(p)(2)(A) and some qualifying under Tax Code, §41A.015(p)(2)(B), the fee shall not exceed the amount specified in Tax Code, §41A.015(p)(2)(B).
- (c) Processing of arbitrator fees. Payment of arbitrator fees shall be processed in accordance with Tax Code, §41A.015(k) and (l), and §9.4209 of this title. For payments of arbitrator's fees by appraisal districts under Tax Code, §41A.015(k), the payment shall be made outside of the online arbitration system.
- (d) Multiple ARB hearing procedural violations. Where the property owner alleges more than one ARB hearing procedural violation or alleges the same violation on more than one property, the arbitrator fee shall be paid in accordance with Tax Code, §41A.015(k), unless the arbitrator found no violations of any of the ARB hearing procedural requirements submitted for review.

Source Note: The provisions of this §9.4226 adopted to be effective April 16, 2024, 49 TexReg 2311

Division 3 – Regular Binding Arbitration of Appraisal Review Board Determinations

§9.4240 Request for RBA

- (a) Right of appeal in RBA. A property owner or the property owner's agent may appeal an ARB order determining a protest of property value through RBA under the terms and conditions of this section. A single ARB order may be appealed to RBA by only one property owner, even if multiple property owners are listed.
- (b) Requirements for processing. A request for RBA will be processed for arbitration under Tax Code, §41A.01, if:
 - (1) The request for RBA concerns a property with an appraised or market value of \$5 million or less as determined by the ARB order, or the property qualifies as the property owner's residence homestead under Tax Code, §11.13;

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- (2) The only matter in dispute is the determination of a protest filed under either Tax Code, §41.41(a)(1), concerning the property's appraised or market value, or under Tax Code, §41.41(a)(2) concerning unequal appraisal of the property;
 - (3) The deposit meets the requirements of Tax Code, §41A.03(a)(2), and §9.4204 and §9.4241 of this title;
 - (4) Except as allowed by Tax Code, §41A.10, taxes on the property subject to the appeal are not delinquent because, for any prior year, all property taxes due have not been paid or because, for the year at issue, the undisputed tax amount was not paid before the delinquency date set by the applicable section of Tax Code, Chapter 31;
 - (5) No lawsuit has been filed in district court regarding the property for the same issue for the same tax year; and
 - (6) The request for RBA is timely filed pursuant to Tax Code, §41A.03, using the comptroller-prescribed form.
- (c) Contiguous tracts. If the request for RBA involves contiguous tracts of land pursuant to Tax Code, §41A.03(a-1), each tract of land and ARB order must separately meet the requirements of subsection (b) of this section, except that a single arbitration deposit is required. The combined total value of all ARB orders appealed may exceed the \$5 million threshold requirement in subsection (b)(1) of this section as long as each individual tract is valued at \$5 million or less or has a residence homestead exemption. If the appraisal district indicates two or more tracts are not contiguous during its review of the property accounts subject to the request, the property owner may select the single or contiguous tracts that will be arbitrated during the 45-day settlement period. Otherwise, the arbitrator that accepts the appointment will move forward with the single or contiguous tracts that contain the property with the highest appraised or market value.
 - (d) Requests for in-county or out-of-county arbitrators. A property owner or the property owner's agent may request that the comptroller appoint an arbitrator for RBA who resides in the county in which the property that is the subject of the appeal is located or an arbitrator who resides outside that county. In appointing an initial arbitrator, the comptroller shall comply with the request of the property owner unless there is not an available arbitrator who resides in the county in which the property that is the subject of the request is located. In appointing a substitute arbitrator, the comptroller shall consider but is not required to comply with the request. This does not authorize a property owner to request the appointment of a specific individual as an arbitrator.
 - (e) Impact of LBA award on RBA request. If a property owner is granted a new ARB hearing as a result of an LBA award and the property owner has a pending request for RBA based on the same ARB proceedings that were at issue in the LBA, the property owner and appraisal district shall promptly notify the comptroller. The pending request for RBA will be considered withdrawn or dismissed for lack of jurisdiction, depending on its current status. The deposit shall be either paid to the arbitrator or refunded according to §9.4209 or §9.4244 of this title. This shall not impact the property owner's ability to file a new request for RBA based on a subsequent ARB order.

Source Note: The provisions of this §9.4240 adopted to be effective April 16, 2024, 49 TexReg 2313

§9.4241 RBA Deposit

- (a) Amount of deposit. A deposit shall be submitted with each request for RBA in the applicable amount specified in Tax Code, §41A.03(a)(2).
- (b) Deposit amount for contiguous tracts. The deposit amount required for arbitration of contiguous tracts of land must correspond with the tract on which subsection (a) of this section would require the largest deposit, if filed separately.

Source Note: The provisions of this §9.4241 adopted to be effective April 16, 2024, 49 TexReg 2313

§9.4242 RBA 45-Day Settlement Period

- (a) Notice of processing. The parties shall have 45 calendar days after the date that the comptroller provides notice that the request for RBA has been processed under §9.4207 of this title in which to try to settle the case or determine that the request for RBA should be withdrawn timely before an arbitrator is appointed. A notice of withdrawal must be provided in accordance with §9.4208 of this title.
- (b) Waiver of 45-day settlement period. A property owner or the property owner's agent may request to waive the 45-day settlement period. If the appraisal district agrees to the waiver, the comptroller shall appoint an arbitrator to the request for RBA pursuant to §9.4243 of this title.

Source Note: The provisions of this §9.4242 adopted to be effective April 16, 2024, 49 TexReg 2313

§9.4243 Comptroller Appointment of Arbitrators for RBA

- (a) Appointment of arbitrator. After the conclusion of the 45-day settlement period or waiver of the 45-day settlement period, the comptroller shall appoint an individual included in the comptroller's registry of arbitrators who is both qualified and eligible for the particular appointment under §§9.4240(d), 9.4260, and 9.4263 of this title.
- (b) Use of computer system for appointment. The comptroller shall use a computer system that distributes the arbitration appointments as evenly as possible among qualified and eligible arbitrators included in the comptroller's registry of arbitrators.

Source Note: The provisions of this §9.4243 adopted to be effective April 16, 2024, 49 TexReg 2313

§9.4244 Dismissal for Lack of Jurisdiction

- (a) Reasons for dismissal. For requests for RBA filed under Tax Code, §41A.01, the arbitrator shall dismiss with prejudice a pending request for RBA for lack of jurisdiction, if:
 - (1) except as allowed by Tax Code, §41A.10, taxes on the property subject to the appeal are delinquent because for any prior year, all property taxes due have not been paid or because, for the year at issue, the undisputed tax amount was not paid before the delinquency date set by the applicable section of Tax Code, Chapter 31;
 - (2) the ARB order(s) appealed did not determine a protest filed pursuant to Tax Code, §41.41(a)(1), concerning the appraised or market value, or Tax Code, §41.41(a)(2), concerning unequal appraisal of the property;
 - (3) the appraised or market value of the property as determined in the ARB order was either more than \$5 million or the property did not qualify as the property owner's residence homestead under Tax Code, §11.13;
 - (4) the request for RBA was filed after the deadline established in Tax Code, §41A.03, which requires submission by not later than the 60th calendar day after the date the property owner or the property owner's agent receives the ARB order determining the protest;
 - (5) the property owner or the property owner's agent filed an appeal with the district court under Tax Code, Chapter 42, concerning the value of the same property in the same tax year that is at issue in the pending RBA;
 - (6) the property owner or the property owner's agent and appraisal district have executed a written agreement resolving the matter;
 - (7) the request for RBA was not filed by the property owner or was filed by an agent without proper authority as described by Tax Code, §41A.08 and §9.4205 of this title; or
 - (8) an LBA award rescinded the ARB order(s) under Tax Code, §41A.015(j)(2)(B).
- (b) Contiguous tracts. When an RBA proceeding is brought pursuant to Tax Code, §41A.03(a-1), involving two or more contiguous tracts of land, the arbitrator shall dismiss from the proceeding any tract of land for which subsection (a) of this section applies. If, after dismissal, two or more tracts are not contiguous, the property owner may select the single or contiguous tracts that will be arbitrated. Otherwise, the arbitrator will determine the single or contiguous tracts that contain the property with the highest appraised or market value.

Source Note: The provisions of this §9.4244 adopted to be effective April 16, 2024, 49 TexReg 2313; amended to be effective October 14, 2024, 49 TexReg 8397

§9.4245 RBA Award

- (a) Questions of jurisdiction. In all arbitrations, the arbitrator shall first determine any questions of jurisdiction.
- (b) Arbitrator's determination. If jurisdiction exists, the arbitrator shall determine the appraised or market value of the property that is the subject of the RBA.
- (c) Special appraisal. If the arbitrator determines the property qualifies for special appraisal under Tax Code, Chapter 23, Subchapter B, C, D, E, or H, the statutory provisions regarding special appraisal, and the comptroller's rules and policies, including the comptroller's special appraisal manuals, must be followed in making the appraised value determination.
- (d) Determination of value of residential homestead. If the arbitrator determines that a residence homestead's appraised value is less than its market value due to the appraised value limitation required by Tax Code, §23.23, the appraised value may not be changed unless:

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- (1) the arbitrator determines that the formula for calculating the appraised value of the property under Tax Code, §23.23 was incorrectly applied, and the change correctly applies the formula;
 - (2) the calculation of the appraised value of the property reflected in the ARB order includes an amount attributable to new improvements, and the change reflects the arbitrator's determination of the value contributed by the new improvements; or
 - (3) the arbitrator determines that the market value of the property is less than the appraised value indicated on the ARB order, and the change reduces the appraised value to the market value determined by the arbitrator.
- (e) Arbitrator's award. Within 20 calendar days after the conclusion of the arbitration hearing, the arbitrator shall render a determination and issue the RBA award on the online arbitration system. The arbitrator shall deliver a copy of the RBA award by regular first-class mail to any property owner not participating in the online arbitration system.
- (f) No appeal of RBA award. An RBA award is final and may not be appealed except as permitted under Civil Practice and Remedies Code, §171.088, and may be enforced in the manner provided by Civil Practice and Remedies Code, Chapter 171, Subchapter D.

Source Note: The provisions of this §9.4245 adopted to be effective April 16, 2024, 49 TexReg 2313

§9.4246 Correction of Appraisal Roll

The chief appraiser shall correct the appraised or market value, as applicable, of the property as shown on the appraisal roll to reflect the RBA award only where the arbitrator's value is lower than the value determined by the ARB.

Source Note: The provisions of this §9.4246 adopted to be effective April 16, 2024, 49 TexReg 2313

§9.4247 Payment of Arbitrator Fees

- (a) Amount of arbitrator fee. The arbitrator fee for RBA shall not exceed the applicable amount specified in Tax Code, §41A.06(b)(4).
- (b) Processing of arbitrator fees. Payment of arbitrator fees shall be processed in accordance with §9.4209 of this title and as follows:
 - (1) If the arbitrator determines that the appraised or market value, as applicable, of the property that is the subject of the appeal is nearer to the property owner's opinion of value as stated in the request for RBA than the value reflected in the ARB order, the comptroller shall refund the property owner's arbitration deposit. In this case, the appraisal district, on receipt of a copy of the RBA award, shall pay the arbitrator fee. Payments shall be made outside of the online arbitration system.
 - (2) If the arbitrator determines that the appraised or market value, as applicable, of the property that is the subject of the appeal is not nearer to the property owner's opinion of value as stated in the request for RBA than the value reflected in the ARB order, the comptroller shall pay the arbitrator fee out of the property owner's deposit.
 - (3) If the arbitrator determines that the appraised or market value, as applicable, of the property that is the subject of the appeal is exactly one-half of the difference in value between the property owner's opinion of value of the property as stated in the request for RBA and the ARB order, the comptroller shall process payment of the arbitrator fee and arbitration deposit pursuant to paragraph (2) of this subsection.

Source Note: The provisions of this §9.4247 adopted to be effective April 16, 2024, 49 TexReg 2313

Division 4 – Comptroller's Registry of Arbitrators

§9.4260 Qualification for Inclusion in Comptroller's Registry of Arbitrators

- (a) Inclusion in the registry. To qualify for inclusion in the registry of arbitrators and continue to be included in the registry, an individual must meet the requirements of this section.
- (b) Residency requirement.
 - (1) An individual must reside in the state of Texas. An individual who has been granted a residence homestead exemption on property they own and occupy in Texas satisfies the residency requirement.
 - (2) An individual does not qualify for inclusion in the registry of arbitrators if the individual has been granted a residence homestead exemption in another state or has been granted more than one such exemption.

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- (3) If an individual owns no property for which a residence homestead exemption has been granted in any state, the individual's residence will be considered the state of Texas if the individual lives in a residential property in Texas more than 50 percent of the individual's time.
 - (4) Falsely claiming to reside in Texas will result in the immediate removal of the individual from the registry and the reporting of this misconduct to the individual's professional licensing or certification board or regulatory authority.
- (c) Professional qualifications. To qualify to serve as an arbitrator, an individual must meet the requirements described in Tax Code, §41A.06(b), including the following requirements:
- (1) The individual must have completed the comptroller's courses for training and education of ARB members established under Tax Code, §5.041(a) and (e-1), and for the training and education of arbitrators established under Tax Code, §5.043, and be issued a certificate indicating completion of each course prior to applying to the registry.
 - (2) Individuals in any one of the occupations specified in Tax Code, §41A.06(b)(1)(B)(ii), must:
 - (A) have completed at least 30 hours of training described in Tax Code, §41A.06(B)(i), of which no more than three hours may be self-study or homework; and
 - (B) hold a current and continually active license in one of the occupations specified in Tax Code, §41A.06(b)(1)(B)(ii), during the five years preceding the application submission date.
- (d) Disqualifying Employment. An individual does not qualify for inclusion in the registry of arbitrators during any period in which the individual holds any one of the following positions in this state:
- (1) member of a board of directors of any appraisal district;
 - (2) member of any appraisal review board;
 - (3) employee, contractor, or officer of any appraisal district;
 - (4) employee of the comptroller; or
 - (5) member of a governing body, officer, or supervisory or managerial employee of any taxing unit.

Source Note: The provisions of this §9.4260 adopted to be effective April 16, 2024, 49 TexReg 2317

§9.4261 Application Requirements

- (a) Application submission. Individuals who wish to be included in the registry of arbitrators shall submit their applications through the online arbitration system or, if the online arbitration system is not available, by mailing or emailing the application form to the address specified by the comptroller.
- (b) Attestation. By submitting the application and documentation required, the applicant attests that the applicant:
 - (1) principally resides in the state of Texas in the county identified;
 - (2) meets all of the qualifications required under §9.4260 of this title;
 - (3) has read and understands the provisions of this subchapter and Tax Code, Title 1 (Property Tax Code);
 - (4) will conduct all arbitrations under the terms of Tax Code, Chapter 41A, and this subchapter, as applicable;
 - (5) will perform these arbitration services for the applicable fee specified in Tax Code, §41A.015(p)(2) or §41A.06(b)(4), as applicable; and
 - (6) will update the arbitrator's registry profile on the online arbitration system to notify the comptroller of any change in the arbitrator's registry profile, including any change in qualifications, eligibility, contact information, or any material change regarding information provided in the application, within 10 calendar days of the change.
- (c) Denial of application. The comptroller shall deny an application if the applicant does not meet all of the requirements of §9.4260 of this title or if the division director, in the exercise of the division director's discretion, determines inclusion of the applicant in the registry would not be in the interest of impartial arbitration proceedings.
- (d) Approval of application. If the application is approved, the applicant's name, county of residence in Texas, and other pertinent information will be added to the registry.

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- (e) Notification to applicant. The comptroller must notify the applicant of the approval or denial of the application as soon as practicable and, for a denial, must provide a brief explanation of the reason(s) for the denial.
 - (f) Update of registry. The registry will be updated within 30 calendar days of the date the comptroller approves and processes the application.
 - (g) Registry disclaimers. Inclusion of an arbitrator in the registry is not and shall not be construed as a representation by the comptroller that all information provided by the applicant is true and correct and shall not be construed or represented as a professional endorsement.

Source Note: The provisions of this §9.4261 adopted to be effective April 16, 2024, 49 TexReg 2317

§9.4262 Renewal Requirements

For an arbitrator to continue to qualify for inclusion in the registry, the arbitrator must:

- (1) complete and submit the renewal form through the online arbitration system or, if the online arbitration system is not available, by mailing or emailing the renewal form to the address specified by the comptroller, on or before:
 - (A) each renewal date of the applicant's license or certification under which the applicant was qualified previously under §9.4260 of this title; or
 - (B) the second anniversary of the date the arbitrator was initially added to the registry or the arbitrator's listing on the registry was renewed;
- (2) continue to meet the requirements in §9.4260 of this title;
- (3) have no history of failure to comply with this subchapter;
- (4) have completed during the preceding two years at least eight hours of continuing education in arbitration and alternative dispute resolution procedures offered by a university, college, or legal or real estate trade association. This continuing education requirement may be satisfied by submission of documentation that the arbitrator attended or taught personally at least eight hours of one or more training courses that meet the requirements of this paragraph;
- (5) complete a revised comptroller training program on property tax law for the training and education of arbitrators established under Tax Code, §5.043, not later than the 120th day after the date the program is available to be taken if the comptroller:
 - (A) revises the program after the individual is included in the registry; and
 - (B) determines that the program is substantially revised.

Source Note: The provisions of this §9.4262 adopted to be effective April 16, 2024, 49 TexReg 2317

§9.4263 Arbitrator Eligibility for Appointment

- (a) Eligibility for appointment. To be eligible for appointment as an arbitrator to a particular arbitration proceeding, an arbitrator must satisfy the requirements of this section.
- (b) Engaging in activities in county's appraisal district. An arbitrator is ineligible for and shall not accept any appointment in a county in which the property that is the subject of the arbitration is located, if at any time during the two years preceding the appointment at issue, the arbitrator has engaged in the following activities in that county's appraisal district:
 - (1) represented any person or entity for compensation, or served as an officer or employee of any firm, company, or other organization that has represented another person or entity for compensation, in any proceeding under Tax Code, Title 1 (Property Tax Code);
 - (2) served as an officer or employee of the appraisal district; or
 - (3) served as a member of the appraisal review board for the appraisal district.
- (c) Duration of proceeding. For purposes of subsection (b)(1) of this section, a proceeding under Tax Code, Title 1 (Property Tax Code), begins with the filing of a notice of protest and includes communications with appraisal district employees regarding a matter under protest, protest settlement negotiations, any appearance at an ARB hearing, any involvement in a binding arbitration under Tax Code, Chapter 41A, and any involvement at either the district court or appellate court level of an appeal pursued under Tax Code, Chapter 42.

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- (d) Family relationships. An arbitrator is ineligible for and shall not accept an appointment to any arbitration in which the arbitrator is related by affinity within the second degree or by consanguinity within the third degree as determined under Government Code, Chapter 573, to any of the following individuals:
 - (1) the property owner or the property owner's agent;
 - (2) an officer, employee, or contractor of the appraisal district responsible for appraising the property at issue;
 - (3) a member of the board of directors of the appraisal district responsible for appraising the property at issue; or
 - (4) a member of the ARB in the area in which the property at issue is located.
 - (e) Business relationships. An arbitrator is ineligible for and shall not accept an appointment to any arbitration in which the arbitrator currently or during the previous two years has had a business relationship with the property owner, the property owner's agent, the ARB, or the appraisal district involved in that particular arbitration.
 - (f) Other conflicts of interest. An arbitrator is ineligible for and shall not accept an appointment to any arbitration in which the arbitrator knows of any other conflict of interest that has not been previously described above.

Source Note: The provisions of this §9.4263 adopted to be effective April 16, 2024, 49 TexReg 2317

§9.4264 Arbitrator Responsibility for Registry Profile

- (a) Registry profile updates. Each arbitrator included in the registry of arbitrators is required to update the arbitrator's registry profile on the online arbitration system to notify the comptroller of any changes in contact information, including address, phone number, and email address, and any material change in the information provided in the arbitrator's application, qualifications, or eligibility for appointment, within 10 calendar days of the change. A material change includes loss of required licensure, incapacity, ineligibility, a change in county of residence, or other conditions that would prevent the individual from lawfully and professionally performing the arbitrator's arbitration duties. Once the arbitrator has submitted registry profile updates, the arbitrator will be notified that, pending review, the arbitrator will not be able to modify active cases on the online arbitration system or receive new appointments.
- (b) Eligible to resume active status. If the information provided in the profile updates do not cause the arbitrator to be disqualified, the comptroller will return the arbitrator to active status, and the arbitrator will be able to access arbitration functions in the online arbitration system and receive new appointments.
- (c) Ineligible to complete active cases. If any of the information provided in profile updates causes the arbitrator to be ineligible to act as an arbitrator in one or more of the arbitrator's active cases, the comptroller will reassign affected cases to an eligible arbitrator.
- (d) Request for additional information. If the comptroller requires additional information, the comptroller shall notify the arbitrator of the information needed. Once the arbitrator submits the information needed, the comptroller will complete the review.
- (e) Removal of arbitrator. Failure of the arbitrator to report a material change in the arbitrator's registry profile, or information provided in profile updates that cause the arbitrator to be disqualified, may result in the removal of the arbitrator from the registry upon its discovery and the denial of future applications for inclusion in the registry. An arbitrator's failure to report a material change as required by this section shall not affect the determinations and awards made by the arbitrator during the period that the arbitrator is listed in active status in the registry.

Source Note: The provisions of this §9.4264 adopted to be effective April 16, 2024, 49 TexReg 2317

§9.4265 Disciplinary Action

- (a) Disciplinary action generally. The comptroller is authorized to remove an arbitrator from the registry or, in the comptroller's discretion, to render lesser disciplinary actions including warnings, restriction of arbitrator eligibility for certain counties, or removal from individual arbitrations.
- (b) Disciplinary history. The determination to discipline may be based solely on the information or complaint at issue or on a combination of the information or complaint and the arbitrator's disciplinary history.
- (c) Good cause for removal. Good cause for removal includes the following grounds:
 - (1) the individual engaged in repeated instances of bias or misconduct while acting as an arbitrator;
 - (2) the individual engaged in fraudulent conduct;

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- (3) the individual is disqualified or becomes disqualified under §9.4260 of this title;
 - (4) the individual accepts a case in violation of §9.4263 of this title;
 - (5) the individual violates §9.4212 or §9.4264 of this title while acting as an arbitrator;
 - (6) the individual fails or declines to renew the agreement to serve as an arbitrator in the manner required under §9.4262 of this title; or
 - (7) the comptroller finds that inclusion of the applicant in the arbitration registry would not be in the interest of impartial arbitration proceedings.
- (d) Disciplinary discretion. The comptroller may take appropriate disciplinary action where the comptroller finds clear and convincing evidence of a violation, even if that violation does not rise to the level of good cause to justify removal under subsection (c) of this section. In determining the level of discipline, the comptroller may consider not only the complaint at issue, but any disciplinary history in the arbitrator's file. Good cause for disciplinary action includes the following grounds:
- (1) the individual is disqualified or becomes disqualified under §9.4262 of this title;
 - (2) the individual fails to respond to or refuses to comply with communications and requests for information from the comptroller's office by the deadline established in the communication; or
 - (3) the individual has violated one or more provisions of this subchapter.
- (e) Clear and convincing evidence. For purposes of this section, clear and convincing evidence means the measure or degree of proof that produces a firm belief or conviction of the truth of the allegations regarding the arbitrator.
- (f) Filing a complaint. An individual may file a complaint concerning an arbitrator with the comptroller within 60 calendar days of the last incident giving rise to the complaint. The complaint must contain the following items:
- (1) a letter, addressed to the division director and signed by the requestor, that identifies the arbitrator complained of and the alleged grounds for removal or discipline;
 - (2) for grounds for removal under subsection (c) of this section, at least one affidavit or unsworn declaration meeting the requirements of Civil Practice and Remedies Code, §132.001, from an individual with first-hand knowledge of the alleged conduct that supports the complaint; and
 - (3) as applicable, copies of all available communications exchanged between the arbitrator and the parties, including emails, documents, and any other materials, such as video or audio recordings, that support the complaint.
- (g) Confidentiality. Information reviewed under this section that is made confidential by law may not be disclosed except as provided by law. That portion of the materials considered confidential must be designated as such to protect it from disclosure.
- (h) Dismissal. Complaints shall be dismissed under the following conditions:
- (1) the conduct complained of does not meet the requirements of this section;
 - (2) the complaint is not timely or otherwise fails to meet the requirements of subsection (f) of this section; or
 - (3) the complaint is based on one or more substantive arbitration issues, including evidentiary considerations and the resulting award.
- (i) Initial review of complaints. Within 30 calendar days after submission of a complaint under this section, the comptroller shall notify the complainant whether the complaint is under review or dismissed. The dismissal of a complaint is final and may not be appealed. If the complaint is under review, all materials the complainant submitted will be forwarded electronically, by U.S. Postal Service, or by a private third-party service such as FedEx or United Parcel Service (UPS), as long as proof of delivery is provided, to the arbitrator who is the subject of the complaint for a response.
- (j) Arbitrator response. The arbitrator has 30 calendar days from delivery of the materials to respond to the comptroller, explaining why a finding of good cause should not be made.
- (k) Post-response review and determination. Within 30 calendar days after receipt of the arbitrator's response, the comptroller shall determine whether clear and convincing evidence supports a finding of good cause for removal of the arbitrator from the registry or disciplinary action. The comptroller shall promptly notify the complainant and the arbitrator of the comptroller's determination.

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- (l) Removal or disciplinary action. If good cause for removal of the arbitrator from the registry under subsection (c) of this section is found, the arbitrator shall be removed from the registry for a period of two years from the date of the determination. If, in the comptroller's discretion, clear and convincing evidence of a violation is established, however, after reviewing the violation and the arbitrator's file, the comptroller does not find it rises to the level of good cause for removal, the comptroller may issue disciplinary action. Prior disciplinary action may be considered in future complaints. If there is neither good cause for removal nor clear and convincing evidence of a violation, no disciplinary action will be taken.
 - (m) No appeal. The comptroller's determination and a removal or disciplinary action is final and may not be appealed. An arbitrator removed from the registry under subsection (c) of this section may reapply for inclusion in the registry two years after the date of the removal determination. The circumstances giving rise to the removal under this section may be considered in evaluating the reapplication.
 - (n) No effect on determinations and awards. Any disciplinary action taken shall not affect the determinations and awards made by the arbitrator during the period that the arbitrator is listed in active status in the registry.

Source Note: The provisions of this §9.4265 adopted to be effective April 16, 2024, 49 TexReg 2317

SUBCHAPTER L. PROCEDURES FOR PROTESTING COMPTROLLER PROPERTY VALUE STUDY AND AUDIT FINDINGS

9.4301. Definitions

The following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise.

- (1) Agent—A duly authorized individual designated to act as agent on behalf of the petitioner in a protest of the comptroller's findings in compliance with this subchapter.
- (2) ALJ—An Administrative Law Judge employed by the State Office of Administrative Hearings.
- (3) Clerical error—A numerical error, specific to a school district, that is or results from a mistake or failure in writing, copying, transcribing, entering or retrieving computer data, computing, or calculating. In this subchapter, "clerical error" does not include an error that is or results from a mistake in judgment or reasoning. In this subchapter, "clerical error" does not include any claim regarding the conduct of the study as prescribed by §9.101 of this title (relating to Conduct of the Property Value Study).
- (4) Comptroller—The Texas Comptroller of Public Accounts and employees and designees of the Comptroller.
- (5) Division—The Property Tax Assistance Division of the Texas Comptroller of Public Accounts.
- (6) Division director—The director of the Property Tax Assistance Division or their designee.
- (7) Eligible property owner—A property owner in a school district or school district split whose property is included in the study conducted by the comptroller under Government Code, §403.302 and whose tax liability on such property is \$100,000 or more.
- (8) Findings—The preliminary findings certified to the commissioner of education under Government Code, §403.302(g) or the findings of an audit certified to the commissioner of education under Government Code, §403.302(h).
- (9) Petition—The documents consisting of three parts, Part A (Form 50-210-a), Part B (Form 50-210-b) and Part C (Form 50-210-c), submitted by a petitioner in accordance with this subchapter to initiate a protest of the comptroller's findings under Government Code, §403.302(g) or (h).
- (10) Petitioner—A school district or eligible property owner who submits a petition in accordance with this subchapter to protest the comptroller's findings certified under Government Code, §403.302(g) or (h).
- (11) School district split—The portion of a school district located within the jurisdictional boundaries of a single appraisal district if the school district boundaries overlap the jurisdictional boundaries of two or more appraisal districts. As used in this subchapter, unless the context clearly indicates otherwise, "school district" means an applicable school district split for a school district with boundaries overlapping the jurisdictional boundaries of two or more appraisal districts.

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- (12) SOAH—The State Office of Administrative Hearings.
 - (13) Value determination—A determination made by the division and utilized by the division to reach a finding of market value for an individual property, or in the case of property in Category J an individual company, or in the case of property in category D the land's productivity value.

Source Note: The provisions of this §9.4301 adopted to be effective July 19, 2021, 46 TexReg 4358

9.4302. General Provisions

- (a) Scope of rules. The rules in this subchapter shall govern the procedures for submitting a petition initiating a protest of the comptroller's findings under Government Code, §403.302(g) or (h) and the conduct of protest hearings and the filing of exceptions and replies to exceptions for proposals for decision. The Texas Administrative Procedures Act, the Texas Rules of Civil Procedure, the Texas Rules of Evidence, and the State Office of Administrative Hearings (SOAH) procedural rules do not apply to protests of the comptroller's findings conducted pursuant to Government Code, §403.303. Nothing in this subsection shall preclude general application by a SOAH Administrative Law Judge of evidentiary principles addressed in the Texas Rules of Evidence as an advisory tool in making evidentiary determinations in protests of the comptroller's findings conducted pursuant to Government Code, §403.303.
- (b) Construction. Unless otherwise provided, this subchapter shall be construed as provided by the Code Construction Act, Government Code, Chapter 311.
- (c) Computation of time. In computing a period of time prescribed or allowed by the rules in this subchapter, the first day is excluded and the last day is included. If the last day of any period is a Saturday, Sunday, or Texas state or federal holiday on which the comptroller's office is closed, the period is extended to include the next day that is not a Saturday, Sunday, or Texas state or federal holiday on which the comptroller's office is closed.
- (d) Submitting and serving documents.
 - (1) Unless otherwise provided, every document relating to a protest including, but not limited to, a petition, shall be delivered to the division director by one of the following methods:
 - (A) Hand delivery to the attention of the Director, Property Tax Assistance Division, delivered to 1711 San Jacinto, 3rd Floor, Austin, Texas 78701.
 - (i) A petition delivered to the division director by hand delivery is timely submitted only if it is physically received by the division director on or before 5:00 p.m. CST on the 40th day after the date on which the comptroller's preliminary findings are certified to the commissioner of education.
 - (ii) Division reserves the right to require delivery by a method other than hand delivery if physical receipt by the division is not practicable.
 - (B) United States Postal Service regular first-class mail or common or contract carrier, in a properly addressed and sufficiently stamped envelope or package, addressed to Director, Property Tax Assistance Division, 1711 San Jacinto, 3rd Floor, Austin, Texas 78701.
 - (i) A petition delivered to the division director by regular first class mail is timely submitted if it bears a post office cancellation mark indicating a date not later than the 40th day after the date on which the comptroller's preliminary findings are certified to the commissioner of education and is physically received by the division director not later than the 47th day after the date the comptroller's preliminary findings are certified to the commissioner of education.
 - (ii) A petition delivered to the division director by common or contract carrier is timely submitted if it bears a receipt mark indicating a date not later than the 40th day after the date on which the comptroller's preliminary findings are certified to the commissioner of education and is physically received by the division director not later than the 47th day after the date the comptroller's preliminary findings are certified to the commissioner of education.
 - (C) Electronic mail (email) sent to PTAD.Appeals@cpa.texas.gov. Delivery by email will only be accepted if all documents being delivered by email are attached in Microsoft Word or portable document format (pdf) compatible with the latest version of Adobe Acrobat in a file size that can be accommodated by the division's computer system at the time of delivery. A petition delivered to the division director by electronic mail is timely submitted if all emails and documents attached to emails, including the petition, are received

by the division not later than the 40th day after the date on which the comptroller's preliminary findings are certified to the commissioner of education.

- (D) Electronic files sent by comptroller file transfer protocol (FTP) or ad hoc reporting website. Delivery by FTP or ad hoc reporting website will only be accepted if requested by email sent to PTAD.Appeals@cpa.texas.gov before 4:00 p.m. CST on the 40th day after the date on which the comptroller's preliminary findings are certified to the commissioner of education. All documents being delivered by FTP or ad hoc reporting website must be in Microsoft Word or portable document format (pdf) compatible with the latest version of Adobe Acrobat in a file size that can be accommodated by the division's system at the time of delivery. A petition delivered to the division director by FTP or ad hoc reporting website is timely submitted if all documents, including the petition, are received by the division not later than the 40th day after the date on which the comptroller's preliminary findings are certified to the commissioner of education.
- (2) The petitioner is responsible for verifying receipt by the division of all documents delivered regardless of the method of delivery. A petitioner shall have the burden to prove a document was timely filed.
- (3) All documents delivered to the division director, regardless of method of service, must be legible.
- (4) Except as otherwise expressly provided in this subchapter, the division may deliver written correspondence and other documents to a petitioner by hand delivery, United States Postal Service regular first-class mail, common or contract carrier, or email.
- (5) All information contained in documents submitted to the division that is confidential by law must be marked as confidential. Multi-page documents that are confidential in their entirety must be marked as confidential on each page. By filing a protest, the petitioner certifies that all confidential information submitted to the division has been clearly identified as confidential.
- (e) Designation and Authority of Agents. By signing the petition, the superintendent of a protesting school district, or a protesting eligible property owner, represents to the division that the agent designated in the petition is duly authorized under the laws of the State of Texas to act on behalf of the petitioner. Except as otherwise provided in this subsection, a petitioner may designate only one agent per protest.
- (1) The agent must be authorized to perform the following activities on behalf of petitioner:
- (A) receive all notices, orders, decisions, exceptions, replies to exceptions, and any other communications regarding the petitioner's protest;
- (B) resolve any matter raised in petitioner's protest; and
- (C) argue and present evidence at any hearing on petitioner's protest.
- (2) A chief appraiser or other employee of an appraisal district that appraises property for a school district protesting the comptroller's property value study findings may not be designated as the agent for the protesting school district unless:
- (A) the governing body of the appraisal district authorizes the chief appraiser or other employee of the appraisal district to act as agent for the protesting school district;
- (B) the governing body of the protesting school district authorizes the chief appraiser or other employee of the appraisal district to act as agent for the school district; and
- (C) the superintendent of the protesting school district signs the petition representing that the chief appraiser or other employee of the appraisal district has been properly authorized pursuant to this subchapter and the laws of the State of Texas to act as agent for the school district.
- (3) The designation of a new agent will automatically revoke the agency of the prior agent for purposes of protesting the comptroller's findings pursuant to Government Code, §403.303.
- (4) Nothing in this subchapter shall be construed to prevent the chief appraiser or other employee of the appraisal district that appraises property for a school district protesting the study from acting as a witness or consultant for the protesting school district.
- (5) Nothing in this subchapter shall be construed to prevent or limit a petitioner from being represented by an attorney or attorneys admitted to practice law in the State of Texas.

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- (f) Limitations on Number of Petitions. A petitioner is limited to one petition to protest property value study findings, except that a petitioner may file a separate petition solely to address self-report corrections pursuant to §9.4308(i) of this title (relating to Contents of Petition).
 - (1) If a petitioner files one petition to protest property value study findings and a separate petition to address self-report corrections pursuant to §9.4308(i) of this title, the petitioner may designate different agents for each petition.
 - (2) If a petitioner files one petition to protest both property value study findings and to address self-report corrections pursuant to §9.4308(i) of this title, the petitioner may designate only one agent for the petition.
 - (g) Except as otherwise provided in this subchapter, the division director has independent discretion to impose deadlines and schedule hearing dates as reasonable or necessary to timely and efficiently manage the protest process.

Source Note: The provisions of this §9.4302 adopted to be effective July 19, 2021, 46 TexReg 4358

9.4303. Changes in Preliminary Certification of Findings

- (a) At any time before the date on which the final taxable value of each school district is certified to the commissioner of education under Government Code, §403.302(j), the comptroller may certify amended preliminary findings to the commissioner of education under Government Code, §403.302(g).
- (b) If the comptroller amends preliminary findings for all school districts in a study, eligible school districts and eligible property owners may protest the amended preliminary findings in the manner required by this subchapter. A petition protesting the comptroller's amended preliminary findings must be filed within 40 calendar days after the date the comptroller certifies the amended preliminary findings to the commissioner of education.
- (c) If the comptroller amends preliminary findings for a singular school district in a study, the affected school district and eligible property owners within that school district may protest the amended preliminary findings in the manner required by this subchapter. A petition protesting the comptroller's amended preliminary findings pursuant to this subsection must be filed within 40 calendar days after the date the comptroller certifies the amended preliminary findings to the commissioner of education.
- (d) In addition to the restrictions stated in this section, all provisions in this subchapter relating to standing apply to protests of amended preliminary findings.

Source Note: The provisions of this §9.4303 adopted to be effective July 19, 2021, 46 TexReg 4358

9.4304. Extensions of Time

- (a) At any time before a referral to SOAH, a petitioner may request an extension of time for any deadline, except the deadline to file a petition, by submitting a request for extension to the division director.
- (b) A request for an extension of time must be submitted in writing and received by the division director at least five calendar days in advance of the original deadline for which the extension is requested. If requested in writing by the petitioner and for good cause shown, the division director may waive the requirement that the request for the extension be made five calendar days in advance of the deadline.
- (c) A request for an extension of time must be for good cause shown. Good cause does not include petitioner's neglect, indifference, or lack of diligence. Good cause does not include a claim that the time periods established in this subchapter are insufficient.
- (d) An extension of time under this section may not extend the deadline for more than ten calendar days.

Source Note: The provisions of this §9.4304 adopted to be effective July 19, 2021, 46 TexReg 4358

9.4305. Who May Protest

- (a) A school district may protest the comptroller's preliminary findings certified under Government Code, §403.302(g).
- (b) A school district may protest the comptroller's certified findings of an audit conducted under Government Code, §403.302(h).
- (c) A property owner eligible under Government Code, §403.303(a) may protest the comptroller's preliminary findings certified under Government Code, §403.302(g).

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- (d) An eligible property owner in a school district may protest the comptroller's certified findings of an audit conducted under Government Code, §403.302(h).
 - (e) A petition submitted by a property owner will not be considered for any purposes to be a protest filed by a school district.
 - (f) Self-report corrections. A school district may seek correction of an error in the comptroller's preliminary findings certified under Government Code, §403.302(g) caused by an error in the school district's annual report of property value, by a clerical error in a district's local value made by the division, or by a correction or change in a school district's appraisal roll that occurred before the preliminary certification of the study findings by timely filing a self-report correction pursuant to §9.4308(i) of this title (relating to Contents of Petition).
 - (g) No petition initiating a protest of the comptroller's preliminary findings published under Government Code, §403.302(g), other than self-report corrections submitted pursuant to §9.4308(i) of this title, may be filed by any party in a school district in a year in which a study is not conducted.

Source Note: The provisions of this §9.4305 adopted to be effective July 19, 2021, 46 TexReg 4358

9.4306. Filing a Petition Initiating a Protest

- (a) A protest under Government Code, §403.303(a) shall be initiated by timely filing a petition with the division.
 - (1) A petition initiating a protest of the comptroller's preliminary findings must be submitted not later than the 40th day after the date on which the comptroller's findings are certified to the commissioner of education under Government Code, §403.302(g).
 - (2) A petition initiating a protest of the comptroller's findings under Government Code, §403.302(h) must be filed not later than the 40th day after the date on which the comptroller's findings are certified to the commissioner of education under Government Code, §403.302(h).
- (b) A petition must be signed by:
 - (1) the superintendent of the school district, if it is a petition filed by a school district, and the school district's duly authorized designated agent, if the school district designates an agent; or
 - (2) the property owner, if it is a petition filed by a property owner and the property owner's duly authorized designated agent, if the property owner designates an agent.

Source Note: The provisions of this §9.4306 adopted to be effective July 19, 2021, 46 TexReg 4358

9.4307. Dismissal

- (a) A protest shall be dismissed if there is any jurisdictional defect in submission of the petition. If a petition is filed and there is a jurisdictional defect, the division may file a motion to dismiss with the State Office of Administrative Hearings (SOAH) and a request to docket. Following receipt of the request to docket, SOAH shall assign the case a docket number and assign an Administrative Law Judge (ALJ). On the same date as the date the division files the motion to dismiss with SOAH, the division shall serve a copy of the motion to dismiss with the petitioner via hand delivery, overnight delivery service, facsimile, email or an electronic filing and service system utilized by SOAH.
- (b) The petitioner may file a response with SOAH no later than seven calendar days from the date the motion to dismiss is filed. On the same date the petitioner files a response to the division's motion to dismiss, petitioner shall serve a copy of the response to the division director and legal counsel for the division via hand delivery, overnight delivery service, facsimile, email or an electronic filing and service system utilized by SOAH.
- (c) The division will have seven calendar days from the date petitioner files a response to file a reply to the response with SOAH. On the same date the division files its reply to petitioner's response, the division shall serve a copy of the reply to the petitioner via hand delivery, overnight delivery service, facsimile, email or an electronic filing and service system utilized by SOAH.
- (d) Arguments shall be limited to the jurisdictional issues presented in the motion to dismiss filed with SOAH. Neither the division nor the petitioner shall be permitted to submit any additional information or evidence for consideration by the ALJ.
 - (1) No oral hearing will be held, except upon a ruling by an ALJ pursuant to §9.4314(c) of this title (relating to Administrative Law Judge's Powers).

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- (2) Motions for oral hearing shall be decided solely upon the written motions for oral hearing and responses, if any, submitted to the ALJ for ruling pursuant to §9.4314(c) of this title.
 - (e) After time for the division to file a reply has expired, the assigned ALJ shall consider the motion, any timely filed response, and any timely filed reply, and no later than 14 calendar days after time for the division to file a reply has expired, issue a proposal for decision to the deputy comptroller stating the ALJ's recommendation for a final decision on the motion and the reasons for the proposed decision.
 - (1) The ALJ's proposal for decision shall be issued to the deputy comptroller by filing the proposal for decision with the comptroller's Special Counsel for Tax Hearings via hand delivery, overnight delivery service, facsimile, email or an electronic filing and service system utilized by SOAH.
 - (2) On the same date the ALJ issues the proposal for decision to the deputy comptroller, the ALJ shall serve a copy of the proposal for decision on all other parties via hand delivery, overnight delivery service, facsimile, email or an electronic filing and service system utilized by SOAH
 - (f) A party to the protest may, within seven calendar days after the date the proposed final decision is served, file with the deputy comptroller exceptions to the proposal for decision.
 - (1) Exceptions to the proposal for decision, if any, shall be filed with the deputy comptroller by filing the exceptions with the comptroller's Special Counsel for Tax Hearings via hand delivery, overnight delivery service, facsimile, or email.
 - (2) On the same date as the date exceptions to the proposal for decision are filed, the excepting party shall serve a copy of the exceptions on all other parties via hand delivery, overnight delivery service, facsimile, or email.
 - (g) Within seven calendar days after the exceptions are filed and served in accordance with subsection (f) of this section, all parties not filing exceptions may file replies to the exceptions with the deputy comptroller.
 - (1) Replies to the exceptions to the proposal for decision, if any, shall be filed with the deputy comptroller by filing the replies with the comptroller's Special Counsel for Tax Hearings via hand delivery, overnight delivery service, facsimile, or email.
 - (2) On the same date the replies to exceptions to the proposal for decision are filed with the deputy comptroller, the party filing the replies shall serve a copy of the replies to all other parties via hand delivery, overnight delivery service, facsimile, or email.
 - (h) After considering all timely filed exceptions and timely filed replies to exceptions, the deputy comptroller shall issue a final order and, in doing so, may adopt, amend, or reject the ALJ's proposal for decision. A decision is final on the date signed by the deputy comptroller. The deputy comptroller shall deliver written notice of the final decision to each party to the protest via hand delivery, overnight delivery service, facsimile, or email.
 - (i) The petitioner bears the burden of proof on all jurisdictional matters.
 - (j) If a motion to dismiss is denied, the petition will be otherwise processed in accordance with this subchapter.

Source Note: The provisions of this §9.4307 adopted to be effective July 19, 2021, 46 TexReg 4358

9.4308. Contents of Petition

- (a) A petition shall contain the following:
 - (1) the petitioner's name;
 - (2) the designated agent of the petitioner, if any;
 - (3) the mailing address of the petitioner and any designated agent for the petitioner;
 - (4) the physical address of the petitioner and any designated agent for the petitioner;
 - (5) the email address of the petitioner and any designated agent for the petitioner;
 - (6) the facsimile number of the petitioner and any designated agent for the petitioner;
 - (7) the petitioner's grounds for objection, stated with specificity on Part B of the petition and as required by this subchapter;
 - (8) the petitioner's value claimed to be correct for each objection, stated with specificity on Part B of the petition and as required by this subchapter;

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- (9) documentary evidence provided in Part C of the petition, organized and identified for each objection stated on Part B of the petition and as required by this subchapter;
 - (10) the property identification stated with specificity on Part B of the petition for each objection and as required by this subchapter; and
 - (11) all other information required to be reported on Part B of the petition.
- (b) To protest the comptroller's findings, a petitioner must identify inaccuracies in value determinations made by the division in the course of arriving at a value for a property, or in the case of property in Category J, a value for a company, or in the case of property in Category D, the productivity value.
- (1) On Part B of the petition, the petitioner shall separately list each ground for objection the petitioner contends resulted in an inaccuracy in a value determination. The grounds for objection shall be listed numerically and sequentially per property category.
 - (2) On Part B of the petition, for each separately and sequentially listed ground for objection, the petitioner shall separately identify the property for which the petitioner asserts the ground for objection. Each property shall be separately identified by property identification number, or in the case of Category J property by company identification number, or in the case of category D property by land class.
 - (3) On Part B of the petition, for each objection listed, the petitioner shall state the following:
 - (A) the change sought by the objection;
 - (B) the value determination alleged by petitioner to be inaccurate;
 - (C) the basis of the allegation that the value determination is inaccurate;
 - (D) the value claimed by petitioner to be correct; and
 - (E) the documentary evidence provided in Part C of the petition, identified by title or description, that supports the objection.
- (c) For purposes of this section, a value determination may include, but is not limited to:
- (1) a sale utilized in the study;
 - (2) the sale's price of a property included in the study;
 - (3) construction quality;
 - (4) effective age;
 - (5) percent of depreciation;
 - (6) capitalization rate;
 - (7) market rent;
 - (8) expenses;
 - (9) gross rent multiplier;
 - (10) land value;
 - (11) land value per acre;
 - (12) type of lease;
 - (13) fencing expense, and other components; or
 - (14) other elements of an appraisal.
- (d) For purposes of this section, a value determination does not include:
- (1) the resulting ratio for a property, category or company reported by the comptroller as a finding; or
 - (2) the final market value for a property or company, or productivity value reported by the comptroller as a finding without identifying the specific basis or underlying inaccuracy in the appraisal that causes the value to be inaccurate.
- (e) Multiple claims of inaccuracies in value determinations regarding the same property, company, or land class cannot be combined in the same ground for objection, but must be stated and listed as separate objections pursuant to this section.

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- (f) Multiple properties, companies or land classes cannot be combined for the same claim of an inaccuracy in a value determination, but must be stated and listed in separate objections.
 - (g) For each ground for objection identified on Part B of the petition, the petitioner must state on Part B of the petition, the relief sought with sufficient specificity such that the comptroller or an ALJ can grant the relief requested by making the change requested based solely on the petition.
 - (h) All documentary evidence submitted by petitioner shall be filed in Part C of the petition, organized and separated by cover sheets, with each cover sheet clearly identifying the property category, numbered ground for objection, and the property, company or land class as reported on Part B of the petition to which the evidence corresponds. If documents are included as evidence for more than one ground for objection, the documents may be submitted only once, but all property categories, grounds for objections, and properties, companies or land classes to which the documents correspond must be identified on the cover sheet. Separate documents must be labeled as separate exhibits.
 - (i) Self-report corrections. Self-report corrections are limited to changes in the comptroller’s preliminary findings under Government Code, §403.302(g) that were caused by an error in a district’s annual report of property value, by a clerical error in a district’s local value made by the division, or by a correction or change in a school district’s appraisal roll that occurred before the preliminary certification of the study findings. All self-report corrections must be asserted in sequentially numbered grounds for objection. Grounds for objection must be set forth by written requests and be supported by documentation as identified in this subsection.
 - (1) To seek a self-report correction regarding changes of values reflected in the School District Report of Property Value (Form 50-108), a petitioner must identify “SR” as the category identification, include a written request that the preliminary findings be revised in accordance with an updated School District Report of Property Value (Form 50-108), and identify and include with the protest the following documentation: School District Report of Property Value (Form 50-108) or documentation that provides substantially the same information set forth in School District Report of Property Value (Form 50-108) with a recap that includes a breakdown of value by category, a breakdown of exemptions and other value deductions, and a breakdown by land class of agricultural and timber land acreage and value. All values reflected on the documentation that differ from the division’s preliminary findings will be considered to be changes sought by way of the protest.
 - (2) To seek a self-report correction regarding value lost due to school tax limitations, a petitioner must identify “SR” as the category identification, include a written request that the preliminary findings be revised in accordance with an updated Report on Value Lost Because of the School Tax Limitation on Homesteads of the Elderly/Disabled (Form 50-253), and identify and include with the protest the documentation listed in subparagraphs (A) and (B) of this paragraph. All values reflected on the documentation that differ from the division’s preliminary findings will be considered to be changes sought by way of the protest.
 - (A) Report on Value Lost Because of the School Tax Limitation on Homesteads of the Elderly/Disabled (Form 50-253) or documentation that provides substantially the same information set forth in Report on Value Lost Because of the School Tax Limitation on Homesteads of the Elderly/Disabled (Form 50-253) and with a recap, if available, showing the total appraised value of residential homesteads subject to a tax ceiling, the total dollar amount of mandatory exemptions on residence homesteads subject to a tax ceiling, the total dollar amount of local optional exemptions on residence homesteads subject to a tax ceiling, the total taxable value of residence homesteads subject to a tax ceiling, and the total actual levy on residence homesteads subject to a tax ceiling; and
 - (B) a listing by account number in Excel compatible format of tax ceilings created in 2006 or a prior year and that still existed in the property value study (PVS) year, if a change or correction to such information is requested, including the year the ceiling was established, the ceiling in 2007, and the ceiling in the PVS year, if the total loss of all such combined accounts is different than that reported in the division’s preliminary findings. If the total loss of all such combined accounts is not different than that reported in the division’s preliminary findings, the listing identified in this subparagraph need not be submitted. This information is only required if a change or correction to such information is requested.
 - (3) To seek a self-report correction concerning value limitations provided by Tax Code, Chapter 313, a petitioner must identify “SR” as the category identification, include a written request that the preliminary findings be revised in accordance with an updated Report on Value Lost Because of Value Limitations Under Tax Code, Chapter 313 (Form 50-767), and identify and include with the protest the following documentation: Report on Value Lost Because of Value Limitations Under Tax Code, Chapter 313 (Form 50-767) with a listing by account

number of the market value, exemptions, and taxable value of the property subject to the value limitation. All values reflected on the documentation that differ from the division's preliminary findings will be considered to be changes sought by way of the protest.

- (4) To seek a self-report correction concerning value lost due to participation in tax increment financing, a petitioner must identify "SR" as the category identification, include a written request that the preliminary findings be revised in accordance with an updated Report on Value Lost Because of School District Participation in Tax Increment Financing (Form 50-755), and include with the protest the following documentation: Report on Value Lost Because of School District Participation in Tax Increment Financing (Form 50-755) with a listing of each property in the TIF zone identified by account number and showing the appraised and taxable value for the PVS year and appraised and taxable value for the zone's base year. All values reflected on the documentation that differ from the division's preliminary findings will be considered to be changes sought by way of the protest.
 - (5) To seek a self-report correction concerning a change or correction in deferred taxes pursuant to Tax Code, §33.06 or §33.065, if not otherwise included in a self-report correction under paragraph (1) of this subsection, a petitioner must identify "SR" as the category identification, include a written request that the preliminary findings be revised in accordance with an updated listing of deferred taxes, and include with the protest a listing by account of the unpaid deferred taxes that does not include penalties or interest. All values reflected on the documentation that differ from the division's preliminary findings will be considered to be changes sought by way of the protest.
 - (6) Notwithstanding paragraphs (1), (2), (3), (4), and (5) of this subsection, a petitioner may seek a self-report correction by identifying "SR" as the category identification, including a written request identifying findings sought to be revised, and identifying and including with the protest information necessary to support the requested corrections.
- (j) The petition must contain a statement by the school district's or property owner's authorized agent or, if no agent has been designated, by the school district superintendent or the property owner as applicable, that, to the best of the person's knowledge, the statements contained in the petition and the evidence attached to the petition are true and correct.

Source Note: The provisions of this §9.4308 adopted to be effective July 19, 2021, 46 TexReg 4358

9.4309. Insufficient Grounds for Objection

- (a) Any ground for objection that does not comply with §9.4308 of this title (relating to Contents of Petition) does not adequately specify the grounds for objection as required by Government Code, §403.303(a) and shall be rejected by the division director without further review.
- (b) If the division director determines that a ground for objection asserted in a petition does not comply with §9.4308 of this title, the division will notify the petitioner that the ground for objection has been rejected pursuant to this section. No additional information or evidence may be submitted by a petitioner after a determination of rejection has been made by the division director.
- (c) If all grounds for objection in a petition are rejected resulting in the petition being rejected in its entirety, the petitioner may request referral of the petition to SOAH for a hearing on the rejections.
 - (1) The petitioner must request the referral to SOAH within 15 calendar days of the date the division sends petitioner notice of the rejections.
 - (2) Upon a timely written request for referral from the petitioner, the division will file a request to docket with SOAH together with a copy of the division's notice to the petitioner that the petition has been rejected in its entirety pursuant to this subchapter.
 - (3) Following receipt of the request to docket, SOAH shall assign the case a docket number and assign an ALJ.
 - (A) Arguments before the ALJ shall be limited to the reasons for the rejections reported by the division to the petitioner, and the petitioner shall not be permitted to submit any additional information or evidence for consideration by the ALJ.
 - (B) No oral hearing on the rejections shall be held, except upon a ruling by the ALJ pursuant to §9.4314(c) of this title (relating to Administrative Law Judge's Powers). Motions for oral hearing shall be decided based

solely upon the written motions and replies, if any, submitted to the ALJ for ruling pursuant to §9.4314(c) of this title.

- (4) The ALJ shall consider the petition and make a determination as to whether each ground for objection included in the petition complies with §9.4308 of this title. A ground for objection that does not comply with §9.4308 of this title will not provide the ALJ with sufficient information to identify a specific change to the study findings.
 - (A) If the ALJ determines that a ground for objection does not comply with §9.4308 of this title, the ALJ shall, within 14 calendar days after referral, issue a proposal for decision to reject that ground for objection.
 - (B) If the ALJ determines that a ground for objection complies with §9.4308 of this title, the ALJ shall, within 30 calendar days after referral, issue a proposal for decision stating the ALJ's recommendation for specific changes to the study findings as to that ground for objection.
 - (5) The ALJ shall issue a proposal for decision, stating the ALJ's reasons for the proposed decision, under this section to the deputy comptroller by filing the proposal for decision with the comptroller's Special Counsel for Tax Hearings via hand delivery, overnight delivery service, facsimile, email or an electronic filing and service system utilized by SOAH. On the same date the ALJ issues the proposal for decision to the deputy comptroller, the ALJ shall serve a copy of the proposal for decision on all other parties via hand delivery, overnight delivery service, facsimile, email or an electronic filing and service system utilized by SOAH.
 - (6) A party to the protest that is adversely affected by the proposal for decision may, within seven calendar days after the date the proposed final decision is served, file with the deputy comptroller exceptions to the proposal for decision. To file with the deputy comptroller, exceptions must be filed with the comptroller's Special Counsel for Tax Hearings via hand delivery, overnight delivery service, facsimile, or email. On the same date as the exceptions to the proposal for decision are filed, the excepting party shall serve a copy of the exceptions with all other parties via hand delivery, overnight delivery service, facsimile, or email.
 - (7) Within seven calendar days after the exceptions are filed and served in accordance with this subsection, all other parties may file replies to the exceptions with the deputy comptroller. To file with the deputy comptroller, replies must be filed with the comptroller's Special Counsel for Tax Hearings via hand delivery, overnight delivery service, facsimile, or email. On the same date as the replies to exceptions to the proposal for decision are filed with the deputy comptroller, the party filing the replies shall serve a copy of the replies with all other parties via hand delivery, overnight delivery service, facsimile, or email.
 - (8) The deputy comptroller shall issue a final order and, in doing so, may adopt, amend, or reject the ALJ's proposal for decision. A decision is final on the date signed by the deputy comptroller. The deputy comptroller shall deliver written notice of the final decision to each party to the protest via hand delivery, overnight delivery service, facsimile, or email.
- (d) If one or more, but not all, of the grounds for objection included in the petition are rejected as set forth in this section, the grounds for objection that have not been rejected will be processed as otherwise set forth in this subchapter. After conclusion of the informal conference required in §9.4311(g) of this title (relating to Prehearing Exchanges and Informal Conference Regarding Petition), the petitioner may request referral of the rejected grounds for objections as set forth in §9.4311(i) and (j) of this title.
 - (e) If all grounds for objection in a petition other than those that have been rejected have been finally resolved by agreement, the petitioner may request referral of rejected objections in accordance with the provisions of subsection (c) of this section applicable to a petition rejected in its entirety.

Source Note: The provisions of this §9.4309 adopted to be effective July 19, 2021, 46 TexReg 4358

9.4310. Study and Audit Documents

- (a) The documents created, obtained, and utilized by the division in conducting the study or performing the audit, as applicable, are considered the initial evidence in a protest of the comptroller's findings under Government Code, §403.302(g) or (h). Except as provided in subsection (b) of this section, all such documents are deemed admissible evidence for purposes of any hearing referred to the State Office of Administrative Hearings (SOAH) under this subchapter.
- (b) Any documents created, obtained, and utilized by the division in conducting the study or performing the audit, as applicable, that are not made available in response to a proper request in accordance with the Texas Public Information

Act are deemed, as to the division, inadmissible for purposes of any hearing referred to SOAH under this subchapter. This subsection does not restrict a petitioner's right to file such documents in support of a ground of objection as provided under this subchapter. If a petitioner does elect to file such documents, the documents will be deemed admissible evidence on each ground of protest in support of which the documents are filed for purposes of any hearing referred to SOAH under this subchapter.

- (c) Any claim by a petitioner that documents created, obtained, or utilized by the division in conducting the study or performing the audit, as applicable, were not made available in response to a proper request in accordance with the Texas Public Information Act shall be made by written notice to the division director within seven calendar days of delivery by the division of such documents pursuant to §9.4311(c) of this title (relating to Prehearing Exchange and Informal Conference). Petitioner's notice must include a copy of petitioner's request for documents, any response received from the division (although such response(s) need not include copies of the documents produced therewith), and identification of the specific documents petitioner claims were not made available. If petitioner fails to timely provide such written notice to the division director, the claim shall be deemed waived for purposes of the protest.
- (d) After receipt of timely written notice under subsection (c) of this section and consideration of petitioner's claim, the division director shall deliver to petitioner written notice as to whether or not the documents at issue will be withdrawn as evidence. If the documents at issue are not withdrawn as evidence, the matter will be determined at the SOAH hearing, if any, on the ground of protest at issue. The division director's notice will include all documentary evidence that the division will introduce and identification of all witnesses who may testify at the time of the SOAH hearing, if any, relating to petitioner's claim under subsection (c) of this section. The petitioner shall, within five calendar days of delivery of the division director's notice, deliver to the division director all documentary evidence that the petitioner will introduce and identification of all witnesses who may testify at the time of the hearing, if any, relating to petitioner's claim under subsection (c) of this section. At any SOAH hearing on petitioner's claim, both parties shall be limited to the documentary evidence delivered and witnesses disclosed under this subsection.
- (e) SOAH shall have jurisdiction to determine a petitioner's claim asserted under subsection (c) of this section only if the ground of protest for which the documents at issue were submitted is referred to SOAH as otherwise provided under this subchapter. The Administrative Law Judge's (ALJ's) determination shall be limited to whether or not the documents at issue are admissible.

Source Note: The provisions of this §9.4310 adopted to be effective January 26, 2011, 36 TexReg 268

9.4311. Prehearing Exchanges and Informal Conference Regarding Petition

- (a) After reviewing the petition, the division will send petitioner responses to each of the petitioner's grounds for objection. The division's responses may include agreement, disagreement, disagreement with modification, or rejection as set forth in this subchapter.
 - (1) An agreement by the division to the relief requested or the amount claimed to be correct in a ground for objection is a final resolution as to that ground for objection.
 - (2) If at any time a response by the division results in a valid finding for a school district, the protest shall be finally resolved for the protesting school district and all eligible property owners protesting property in the school district, and there shall be no further consideration of the petitions.
- (b) Not later than 15 calendar days after the division delivers its responses to the petitioner, the petitioner must reply to the division utilizing Part B of the petition.
 - (1) The petitioner's reply must either agree to all of the division's responses, thereby waiving further consideration of the petition, or notify the division as to each ground for objection the petitioner disagrees and will continue to protest.
 - (2) A petitioner's failure to timely reply as provided in this subsection will be deemed agreement to the division's responses and will constitute final resolution of the petitioner's protest.
 - (3) In an otherwise timely-filed reply, a petitioner's failure to indicate on Part B of the petition an agreement or disagreement to the division's response will be deemed agreement to the division's response as to the ground for objection and will constitute final resolution as to the ground for objection.

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- (4) The petitioner may not reply to a rejection of a ground for objection. The petitioner may only request referral of the petition to SOAH for a hearing on the rejection pursuant to §9.4309 of this title (relating to Insufficient Grounds for Objection).
- (c) For each ground for objection with which petitioner does not agree with the division's response, petitioner must file with the division director:
- (1) any supplemental evidence not already submitted at the time the petition was filed, with any such supplemental evidence organized, separated and identified pursuant to §9.4308(h) of this title (relating to Contents of Petition); and
 - (2) a written designation of witnesses who may testify at the hearing on each unresolved ground for objection with witnesses identified by name and with the professional qualifications of each identified witness.
- (d) All documents required pursuant to subsection (c) of this section must be filed with, and at the same time as, petitioner's reply submitted under subsection (b) of this section.
- (e) Within 15 calendar days after receipt of petitioner's reply and supplemental evidence, if any, the division shall:
- (1) supplement the documents created, collected, and utilized by the division in conducting the study or performing the audit, as applicable, including any rebuttal evidence regarding each ground for objection to which petitioner has not agreed; and
 - (2) provide a written designation of witnesses who may testify at the hearing on each unresolved ground for objection, with witnesses identified by name and with the professional qualifications of each witness identified.
- (f) For purposes of this subchapter, employees of the division and the chief appraiser of the appraisal district that appraised property for a protesting school district, as well as employees of the chief appraiser appraising property for the protesting school district employed pursuant to Tax Code, § 6.05(d), are deemed qualified to testify as witnesses.
- (g) The division will either provide notice of the date, time, and place of an informal conference regarding the petition to be held for consideration of petitioner's remaining grounds for objection, or the division may provide the petitioner with revised recommendations to the division's initial responses for any unresolved grounds for objections.
- (1) No later than seven calendar days after being provided the division's revised recommendations, a petitioner may agree to the division's revised recommendations, and waive further consideration of the petition, thereby finally disposing of the protest, or request an informal conference be held for consideration of petitioner's remaining grounds for objection.
 - (2) Notwithstanding the referral of rejections to SOAH under §9.4309 of this title, appearance and participation in an informal conference regarding the petition is a jurisdictional prerequisite for referral of grounds for objection to SOAH for hearing.
 - (3) Failure to appear in the scheduled informal conference will be deemed agreement by the petitioner to the division's recommendations or revised recommendations, constitute final resolution and waive further consideration of petitioner's petition, thereby finally disposing of the protest.
 - (4) Notice under this subsection will be made by U.S. first class mail, overnight delivery service, facsimile, or email.
- (h) If the division has identified any failure of petitioner to properly comply with the requirements of labeling and organizing evidence, at the time of the informal conference the petitioner will be notified of such failure and given the opportunity to correct such failure through identification of evidence that was intended to correspond to grounds for objection that remain unresolved and subject to referral to SOAH. This subsection does not permit a petitioner to submit any additional information, documentation, or evidence.
- (i) After completing the informal conference, the petitioner may request a referral for a hearing before a SOAH Administrative Law Judge (ALJ) for all remaining unresolved grounds for objection submitted on Part B of the petition.
- (j) A petitioner's request for a referral to SOAH for a hearing on the unresolved grounds for objection shall be made by filing a written request with the division director no later than seven calendar days after the informal conference.
- (1) The petitioner's written request must specifically identify each ground for objection for which the referral is requested by numbered objection as reported on Part B of the petition.

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- (2) The petitioner's written request must identify the individuals who will present argument and introduce evidence on behalf of the petitioner before SOAH.

Source Note: The provisions of this §9.4311 adopted to be effective July 19, 2021, 46 TexReg 4358

9.4312. Scheduling a Protest Hearing

- (a) Referral of any matter to SOAH may only be made by the division.
- (b) Subsequent to receiving a valid request for a referral from a petitioner under §9.4311 of this title (relating to Prehearing Exchanges and Informal Conference Regarding Petition), the division may file a request to docket a hearing with SOAH. At the time a request to docket is filed, the division shall also provide to SOAH:
 - (1) a list of the grounds for objection being referred;
 - (2) a copy of the documents delivered by the division pursuant to §9.4311(e) of this title;
 - (3) a copy of the portions of the petition relating to the grounds for objection being referred;
 - (4) a copy of any documentary evidence and supplemental documentary evidence timely submitted by petitioner pursuant to this subchapter for grounds for objections being referred; and
 - (5) a copy of witness designations and identifications timely submitted by petitioner pursuant to this subchapter for grounds for objections being referred.
- (c) The documents submitted pursuant to subsection (b)(1)–(5) of this section will be submitted in an organized manner to facilitate reference to such documents by the ALJ.
- (d) At the discretion of the division director, the director may join matters referred to SOAH pursuant to this section for purposes of the hearing.
- (e) Following receipt of the request to docket pursuant to this section, SOAH shall:
 - (1) assign the case a docket number;
 - (2) assign an ALJ;
 - (3) schedule the protest for hearing to be held not later than 45 calendar days after the date of the referral; and
 - (4) no later than 14 calendar days before the scheduled hearing, deliver notice of the date, time, and location of the hearing to the parties identified in the request to docket. Hearings scheduled pursuant to this section shall be held at a location designated by SOAH. Notice under this subsection will be made by U.S. first class mail, facsimile, email, or via an electronic filing and service system utilized by SOAH.
- (f) Following receipt of the notice of the hearing date, time, and location from SOAH pursuant to this section, the division shall deliver to petitioner a copy of all documents that were submitted to SOAH pursuant to subsection (a) of this section. Such copies of documents submitted to SOAH must be delivered, unless otherwise agreed by the parties, not later than ten calendar days before the date of the hearing. Service under this subsection will be made by U.S. first class mail, facsimile, email or via an electronic filing and service system utilized by SOAH.

Source Note: The provisions of this §9.4312 adopted to be effective July 19, 2021, 46 TexReg 4358

9.4313. Conduct of Oral Hearing

- (a) Except as otherwise provided in this subchapter, the ALJ shall convene a hearing for a protest.
- (b) All oral hearings under this subchapter shall be recorded. The comptroller or petitioner will be provided a copy of the recording after a written request and payment of a cost-based fee to SOAH. Upon written notice provided to the ALJ and comptroller, and at least ten calendar days prior to a scheduled hearing, a petitioner may make arrangements for and bear the cost of having a hearing recorded and transcribed by a court reporter.
- (c) Oral hearings are generally open to the public and shall be held in Austin. The ALJ may close a hearing on the ALJ's own motion or on the motion of a party to the protest if confidential information will be disclosed during the hearing.
- (d) Hearings shall be conducted in accordance with this subchapter. The Texas Administrative Procedures Act, the Texas Rules of Civil Procedure, the Texas Rules of Evidence, and the SOAH procedural rules do not apply. Nothing in this subsection shall preclude general application by an ALJ of evidentiary principles addressed in the Texas Rules

of Evidence as an advisory tool in making evidentiary determinations in protests of the comptroller's findings under Government Code, §403.302(g) and (h).

- (e) Except as otherwise provided by this subchapter, the comptroller shall present its evidence and argument prior to each petitioner. After each petitioner has presented its evidence and argument, the comptroller shall be given the opportunity to present rebuttal evidence and argument. The ALJ may otherwise establish the order of proceeding and is responsible for closing the record.
- (f) No party may offer documentary evidence at the hearing that was not filed and served in accordance with the requirements of this subchapter. No evidence may be submitted to SOAH on any ground for objection of a protest of the comptroller's findings under Government Code, §403.302(g) and (h) except as identified and submitted by the comptroller.
- (g) Testimony of witnesses shall be confined to the documentary evidence that has been timely submitted pursuant to the terms of this subchapter and identified and submitted to SOAH according to subsection (f) of this section.
- (h) The following individuals are considered qualified to testify in a hearing before SOAH conducted pursuant to this subchapter: comptroller employees, chief appraisers, and individuals registered as Class IV Appraisers with the Texas Department of Licensing and Regulation.
- (i) Argument shall be confined to the evidence for the grounds for objection identified and submitted by the comptroller and to the arguments of the other parties.
- (j) Admissions, proposals, offers, or agreements made or reached in the compromise of disputed issues prior to referral to SOAH may not be admitted in a hearing. Admissions, proposals, offers, or agreements made or reached in the compromise of disputed issues regarding other protests or prior study years may not be admitted in a hearing.
- (k) Unless permitted by the ALJ, no more than two representatives for each party shall present argument and introduce evidence at a hearing.
- (l) An attorney, agent or other representative who appears at a protest hearing to argue and present evidence on behalf of a petitioner shall not testify at the hearing.

Source Note: The provisions of this §9.4313 adopted to be effective July 19, 2021, 46 TexReg 4358

9.4314. Administrative Law Judge's Powers

- (a) The ALJ shall conduct a hearing on a protest of the comptroller's findings under Government Code, §403.302 (g) or (h) in a manner ensuring fairness, the reliability of evidence, and the timely completion of the hearing. The ALJ shall have the authority necessary to receive and consider evidence as provided under this subchapter and propose decisions only on the grounds for objection identified and referred by the comptroller.
- (b) The comptroller has the burden to prove the accuracy of the comptroller's findings under Government Code, §403.302(g) or (h).
- (c) The ALJ's authority includes, but is not limited to, the following:
 - (1) rule on motions and the admissibility of evidence;
 - (2) conduct oral hearings in an orderly manner and expel from any proceeding any individuals who, after an appropriate warning, fail to comport themselves in a manner befitting the proceeding and continue with the proceeding, hear evidence, and render a decision on the protest;
 - (3) administer oaths to all persons presenting testimony;
 - (4) examine witnesses and comment on the evidence;
 - (5) ensure that evidence, argument, and testimony are introduced and presented expeditiously;
 - (6) refuse to hear arguments that are repetitious, not confined to grounds for objection identified and submitted by the comptroller to SOAH pursuant to this subchapter, or not related to the evidence;
 - (7) accept and record any waiver of any right prescribed in this subchapter;
 - (8) limit each oral hearing to two hours for presentation of evidence and argument or extend the two-hour time limit in the interest of a full and fair hearing; and

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- (9) exercise any other powers necessary or convenient to carry out the ALJ's responsibilities and to ensure timely certification of changes in preliminary findings to the commissioner of education.
 - (d) The ALJ shall take official notice of the written policies and procedures of the comptroller pertaining to the property value study and may take official notice of any statutes, codes and administrative rules of the State of Texas.
 - (e) The ALJ may entertain motions for dismissal at any time as requested by the comptroller. Grounds for dismissal shall include, but are not limited to, the following:
 - (1) failure to prosecute;
 - (2) unnecessary duplication of proceedings or res judicata;
 - (3) withdrawal of protest;
 - (4) moot questions or obsolete petition; or
 - (5) the comptroller has certified amended preliminary findings pursuant to this subchapter.
 - (f) The ALJ may grant a request to postpone an oral protest hearing if good cause is shown and doing so would not prevent timely certification of changes in preliminary findings to the commissioner of education. A request to postpone must be in writing, show good cause for the postponement, and be delivered five calendar days before the date the protest hearing is scheduled to begin. Good cause does not include a claim that the time periods established in Government Code, §403.303(a) or in this subchapter are insufficient. If requested in writing by the petitioner and for good cause shown, the ALJ may waive the requirement that the request for postponement be made five calendar days in advance of the deadline.
 - (g) Except as otherwise provided in this subchapter, the ALJ assigned to a protest may not communicate outside of the protest hearing, directly or indirectly, with any agency, person, petitioner, petitioner's witness or petitioner's agent regarding any issue of fact or law relating to the protest unless all parties to the protest have notice and opportunity to participate.

Source Note: The provisions of this §9.4314 adopted to be effective July 19, 2021, 46 TexReg 4358

9.4315. Proposal for Decision After Oral Hearing

- (a) The ALJ shall prepare a proposal for decision that includes the ALJ's recommendations for a final decision and the reasons for the proposed decision.
 - (1) The ALJ shall issue the proposal for decision to the deputy comptroller within 30 calendar days of the date the hearing is conducted.
 - (2) The ALJ's proposal for decision shall be issued to the deputy comptroller by filing the proposal for decision with the comptroller's Special Counsel for Tax Hearings via hand delivery, overnight delivery service, facsimile, email or an electronic filing and service system utilized by SOAH.
 - (3) On the same date the ALJ issues the proposal for decision to the deputy comptroller, the ALJ shall serve a copy of the proposal for decision on all other parties via hand delivery, overnight delivery service, facsimile, email, or an electronic filing and service system utilized by SOAH
- (b) A party to the protest that is adversely affected by the proposal for decision may, within seven calendar days after the date the proposed final decision is served, file with the deputy comptroller exceptions to the proposal for decision.
 - (1) Exceptions to the proposal for decision, if any, shall be filed with the deputy comptroller by filing the exceptions with the comptroller's Special Counsel for Tax Hearings via hand delivery, overnight delivery service, facsimile, or email.
 - (2) On the same date the exceptions to the proposal for decision are filed, the excepting party shall serve a copy of the exceptions to all other parties via hand delivery, overnight delivery service, facsimile, or email.
- (c) Within seven calendar days after the exceptions are filed and served in accordance with subsection (b) of this section, all other parties not filing exceptions may file replies to the exceptions with the deputy comptroller.
 - (1) The replies to the exceptions, if any, shall be filed with the deputy comptroller by filing the replies with the comptroller's Special Counsel for Tax Hearings via hand delivery, overnight delivery service, facsimile, or email.

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- (2) On the same date the replies to exceptions are filed with the deputy comptroller, the party filing the replies shall serve a copy of the replies with all other parties via hand delivery, overnight delivery service, facsimile, or email.
 - (d) The deputy comptroller shall issue a final order and, in doing so, may adopt, amend, or reject the ALJ's proposal for decision. A decision is final on the date signed by the deputy comptroller. The deputy comptroller shall deliver written notice of the final decision to each party to the protest via hand delivery, overnight delivery service, facsimile, or email.

Source Note: The provisions of this §9.4315 adopted to be effective July 19, 2021, 46 TexReg 4358

9.4317. Effect of Final Decision and Certification of Changes

- (a) A final decision ordering changes to findings made as a result of a school district's protest or other final resolution of the protest under this subchapter resulting in changes to preliminary findings arising from a school district's protest will change findings pursuant to Government Code, §403.302 for the school district regarding which the protest was filed.
- (b) A final decision ordering changes to findings made as a result of a property owner's protest or other final resolution of the protest under this subchapter resulting in changes to preliminary findings arising from a property owner's protest will change findings pursuant to Government Code, §403.302 for the school district(s) regarding which the protest was filed.
- (c) Certification of changes to preliminary findings. Unless the comptroller determines that circumstances require otherwise, the comptroller shall certify to the commissioner of education all changes to Government Code, §403.302(g) preliminary findings by August 31 of the year following the year of the study or as soon thereafter as practicable.

Source Note: The provisions of this §9.4317 adopted to be effective July 19, 2021, 46 TexReg 4358

SUBCHAPTER M. LOCAL GOVERNMENT RELIEF FOR DISABLED VETERANS EXEMPTION

9.4321. Definitions

The following phrases, words, and terms, when used in this subchapter shall have the following meanings, unless the context clearly indicates otherwise.

- (1) Account--The account created by Local Government Code, §140.011(h) from which disabled veteran assistance payments are made.
- (2) Adjacent--Having a common endpoint or border. The fact that a road separates a city and a United States military installation does not prevent a city and military installation from being considered adjacent.
- (3) Applicant--A local government that has applied for a payment.
- (4) Comptroller--The Comptroller of Public Accounts for the State of Texas.
- (5) Exemption amount--The total appraised value of all property located in the local government that is granted an exemption from taxation under Tax Code, §11.131 for the tax year in which the fiscal year begins and for which the applicant is requesting payment.
- (6) Fiscal year--The fiscal year of the applicant unless otherwise indicated.
- (7) General fund revenue--Revenue generated by a local government from the following sources during a fiscal year and deposited in the dedicated general operating fund of the local government during that fiscal year:
 - (A) ad valorem taxes;
 - (B) sales and use taxes;
 - (C) franchise taxes, fees, or assessments charged for use of the local government's right-of-way;
 - (D) building and development fees, including permit and inspection fees;
 - (E) court fines and fees;
 - (F) other fees, assessments, and charges; and
 - (G) interest earned by the local government.

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- (8) Independent audit--An audit required by law to be prepared for the applicant for the fiscal year for which the applicant is requesting payment which verifies amounts of general fund revenue by source.
 - (9) Local government--
 - (A) a municipality adjacent to a United States military installation; or
 - (B) a county in which a United States military installation is wholly or partly located.
 - (10) Lost ad valorem tax revenue or lost property tax revenue--For a fiscal year for which the applicant is requesting payment, the product of the property tax rate adopted by the applicant for the tax year in which that fiscal year begins and the exemption amount.
 - (11) Payment--A disabled veteran assistance payment paid to a qualified local government from the account in an amount calculated by subtracting 1.0% of the local government's general fund revenue for a fiscal year from the local government's lost property tax revenue for that fiscal year.
 - (12) Qualified local government--A local government entitled to a disabled veteran assistance payment under Local Government Code, §140.011. A local government is a qualified local government for a fiscal year if the amount of lost property tax revenue is equal to or greater than 2.0% of the applicant's general fund revenue for that fiscal year.

Source Note: The provisions of this §9.4321 adopted to be effective February 22, 2016, 41 TexReg 1260

9.4323. Application

- (a) In order to receive payment under this subchapter, an applicant must submit a completed application. The completed application must be received no earlier than February 1 nor later than April 1 of the year following the end of a fiscal year for which the applicant is seeking a payment under this subchapter.
- (b) A completed application must include the following items:
 - (1) A map showing that:
 - (A) if the applicant is a municipality, the municipality is adjacent to a United States military installation; or
 - (B) if the applicant is a county, a United States military installation is wholly or partly located within that county.
 - (2) Documentation to substantiate the sources and amounts of general fund revenues listed on the application. That documentation must be:
 - (A) an independent audit covering the fiscal year for which the applicant is requesting payment;
 - (B) a comprehensive annual financial report covering the fiscal year for which the applicant is requesting payment; or
 - (C) documentation from the applicant's internal auditor or financial officer certifying that the information submitted is true and correct to the best of their knowledge.
 - (3) If the documentation listed in paragraph (2) of this subsection does not substantiate all of the sources and amounts of general fund revenues listed on the application, the applicant must submit additional documentation to substantiate the sources and amounts of general fund revenue which is certified by a city, county or independent auditor.
 - (4) Documentation to substantiate the exemption amount.
 - (5) Documentation to substantiate the property tax rate adopted by the applicant for the tax year in which the fiscal year for which the applicant is requesting payment begins.
- (c) Documentation submitted with the application under subsection (b)(2) - (5) of this section must be highlighted for easy identification of the following values:
 - (1) the specific total for each general fund revenue source;
 - (2) the adopted property tax rate; and
 - (3) the total exemption amount.

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- (d) The application must be submitted on the comptroller prescribed form. The method in which the application is submitted must conform to the instructions in the comptroller prescribed form.
 - (e) The application must be signed by an official of the local government that is authorized to bind the local government. The local official must certify that all information in the application is true and correct.
 - (f) The applicant is responsible for verifying receipt by the comptroller of the completed application and any information requested under §9.4325 of this title (relating to Review by Comptroller).

Source Note: The provisions of this §9.4323 adopted to be effective February 22, 2016, 41 TexReg 1260; amended to be effective December 16, 2024, 49 TexReg 10117

9.4325. Review by Comptroller

- (a) Upon receipt of an application, the comptroller shall review the application to ensure that it is complete. If the application is incomplete, including if any information is not substantiated as required by §9.4323 of this title (relating to Application) as determined by the comptroller, the comptroller may contact the applicant and request any required information. Any required information requested by the comptroller must be submitted by the applicant within 14 calendar days of the request.
- (b) An application is not considered complete until the documentation identified in §9.4323 of this title is submitted to the comptroller and any requested information is submitted within the deadline provided in subsection (a) of this section.
- (c) An application shall be rejected by the comptroller if the application is submitted:
 - (1) before February 1 of the year following the end of a fiscal year for which the applicant is seeking a payment;
 - (2) after April 1 of the year following the end of a fiscal year for which the applicant is seeking a payment;
 - (3) on a form other than the most updated version of the comptroller prescribed form;
 - (4) by a method not outlined in the comptroller prescribed form; or
 - (5) without being complete as prescribed under subsection (b) of this section by April 1 of the year following the fiscal year for which the applicant is seeking payment.
- (d) The comptroller may reject an application if the applicant or the application does not adhere to Local Government Code, §140.011 or to this subchapter.

Source Note: The provisions of this §9.4325 adopted to be effective February 22, 2016, 41 TexReg 1260

9.4327. Payment to Qualified Local Government

- (a) The comptroller must issue payment to a qualified local government not later than the 30th calendar day after a completed application is submitted to the comptroller as prescribed by §9.4323 of this title (relating to Application) and approved.
- (b) In the event the comptroller determines through the application review process that there is a likelihood that the relevant appropriation amount may be exceeded for the applicable state fiscal year by the total amount of approved applications, the comptroller may take reasonable steps to ensure that the appropriation amount will not be exceeded, including by making pro-rata reductions in award amounts to qualified local governments.
- (c) In the event that steps are necessary to prevent the relevant appropriation from being exceeded under subsection (b) of this section, the 30 day period described in subsection (a) of this section does not begin until the comptroller has finally determined the exact amounts to be paid to the qualified local governments.
- (d) Payments are made subject to Government Code, §403.055 and §403.0551.

Source Note: The provisions of this §9.4327 adopted to be effective February 22, 2016, 41 TexReg 1260

Property Tax Forms
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