

MIDLAND CENTRAL APPRAISAL DISTRICT

LIMITED BINDING ARBITRATION PROCEDURES

TAX CODE SECTION 41A.015

ONLINE PROPERTY TAX ARBITRATION SYSTEM NOW AVAILABLE ON THE COMPTROLLER'S WEBSITE. Use the Quick Links found at (<https://www.texas.gov/living-in-texas/property-tax-arbitration>)

A property owner who has filed a notice of protest may also file a request for **limited** binding arbitration in order to compel the appraisal review board or chief appraiser to:

- Comply with hearing procedures adopted by the appraisal review board under Section 41.01(c);
- Rescind procedural rules adopted that are not in compliance with the Comptroller's model hearing procedures prepared under Tax Code Sec 5.103;
- Schedule a hearing on a protest as required by Section 41.45;
- Deliver information to the property owner in the manner required by Section 41.461;
- Allow the property owner to offer evidence, examine or cross-examine witnesses or other parties, and present arguments as required by Section 41.66(b);
- Set a hearing for a time and date certain and postpone a hearing that does not begin within two hours of the scheduled time as required by Section 41.66(i);
- Schedule hearings on protests concerning multiple properties identified in the same notice of protest on the same day at the request of the property owner or the property owner's designated agent as required by Section 41.66(j); or
- Refrain from using or offering as evidence information requested by the property owner under Section 41.461 that was not delivered to the property owner at least 14 days before the hearing as required by Section 41.67(d).

The bill prohibits a property owner from filing a request for limited binding arbitration unless:

- The property owner has delivered WRITTEN notice by CERTIFIED MAIL, RETURN RECEIPT REQUESTED to (1) the Appraisal Review Board chairman, (2) the Chief Appraiser, and (3) the Taxpayer Liaison Officer stating the procedural requirement with which the property alleges the appraisal review board or chief appraiser failed to comply on or before the fifth business day after the date the appraisal review board or chief appraiser was required to comply with the requirement, AND
- The appraisal review board chairman or chief appraiser, as applicable, fails to deliver to the property owner on or before the 10th day after the date the notice is delivered a written statement confirming that the appraisal review board or chief appraiser will comply with the requirement or cure a failure to comply with the requirement.

Unless otherwise provided, the failure to comply with a procedural requirement is NOT grounds for postponement of a protest hearing. The appraisal review board is authorized to cure an alleged failure by the rescinding the order determining the protest for which the hearing was held and scheduling a new hearing on the protest.

The property owner must:

- File a request for limited arbitration with the **Comptroller**, either by paper or using the online system, not earlier than the 11th day or later than the 30th day after the date the property owner delivers the notice to the chairman of the appraisal review board, chief appraiser and the taxpayer liaison officer for the applicable appraisal district.
 - All agents and property owners represented by agents must file and pay the deposit, either by credit card or ACH, using the online system.
 - Property owners who are not represented by agents and wish not to file and pay online may use **Comptroller Form AP-241** and pay the required deposit, payable to the Texas Comptroller of Public Accounts, by check or money order. See the Comptroller's website for the amount of deposit that is required for your situation, <https://comptroller.texas.gov/taxes/property-tax/docs/limited-binding-fee.pdf>. Mail Form AP-241 and the deposit to:

Texas Comptroller of Public Accounts
Attention: Arbitration
111 E. 17th Street, 4th Floor
Austin, TX 78774

Parties to the arbitration include:

- The Appraisal Review Board by counsel, by chairman or a person designated by the chairman,
- The Chief Appraiser by counsel, in person or by a designated employee.
- The property owner by counsel, in person, a licensed real estate broker or salesperson under Occ Code Chap 1101, or real estate appraiser under Occ Code Chap 1103, a property tax consultant under Occ Code Chap 1152 or a Certified Public Accountant under Occ Code Chap 901.

Upon hearing the dispute, the arbitrator must determine if the ARB or chief appraiser failed to comply with one or more of the procedural requirements indicated in the request.

- If the arbitrator determines the ARB or chief appraiser failed to comply, they must now comply. If a hearing has already been held and determined on the protest, the ARB must rescind the ARB order and hold a new hearing that complies with the procedural requirement
- If the arbitrator determines the ARB or chief appraiser failed to comply, the property owner's deposit will be refunded, minus a \$50 administrative fee retained by the Comptroller. The appraisal district will pay the arbitrator's fee.
- If the arbitrator determines that the ARB or chief appraiser complied with the procedural requirements, the property owner's deposit will be used to pay the arbitrator's fee.

Arbitrators are required by law to dismiss all limited binding arbitration requests they determine do not meet the requirements of the law. Except for delinquent taxes, the arbitrator may charge up to the total allowable fee and therefore, the property owner may not receive a refund of their deposit. LBA requests shall be dismissed for the following reasons:

- The owner or agent did not file a notice of protest under Chapter 41.
- Except as allowed by Tax Code Section 41A.10, taxes on the subject property are delinquent because, for any prior year, all property taxes due have not been paid or because, for the tax year at issue, the undisputed tax amount was not paid before the delinquency date. Taxes under a current deferral agreement are not considered to be delinquent for purposes of filing for arbitration.
- The owner or agent has not delivered written notice to the ARB chair, the chief appraiser and the taxpayer liaison officer as required by Tax Code Section 41A.015(b)(1).
- The owner filed the LBA request earlier than the 11th day or later than the 30th day from the date notice of the alleged violation was delivered to the ARB chair, the chief appraiser and the taxpayer liaison.
- The ARB or chief appraiser delivered a written statement to the owner by the deadline pursuant to Tax Code Section 41A.015(b)(2).
- Litigation was filed before the LBA request was submitted that involves the same issues for the same properties in the same tax year as addressed in the LBA request.
- The request does not involve a matter described in Tax Code Section 41A.015(a)(1)-(7).
- The property owner or the property owner's agent and the appraisal district have executed a written agreement resolving the matter.
- The request was not filed by a property owner or authorized individual, or was filed by an agent without proper authority.

See the Comptroller's website for more information on limited binding arbitration.
<https://comptroller.texas.gov/taxes/property-tax/arbitration/limited-binding.php>