

TRAVIS APPRAISAL REVIEW BOARD

850 East Anderson Lane, Austin, Texas 78752 – 512-834-9317 ext. 309

November 19, 2020

Dear Mr. Valadez:

I write to acquaint you and the Board of Directors with a serious problem now facing the Appraisal Review Board, and to ask the Board of Directors' help in solving it. In brief, the Appraisal Review Board can provide sufficient panels to hear the bulk of the approximately 37,500 protests for the 2020 tax year that remain unheard. This task won't be completed before the end of the year. The Chief Appraiser has been reluctant to provide the necessary resources due to budget constraints.

Judging from your recent letter to Judge Livingston regarding the performance of the ARB itself, it is likely you are not aware of all the factors contributing to this situation. In fact, the backlog results to a significant extent from the District's informal hearing policy of presenting property owners and agents with a single take-it-or-leave-it offer of settlement. Many property owners are not willing to accept these offers, and their protests must receive formal hearings.

The ARB estimates, it will take 15 panels working each weekday for a total of 17 weeks, to clear all or most of the backlog. The ARB stands ready to provide this number of panels, but without budgetary support from the District, the ARB is effectively being shut down and is not able to perform its statutory duty.

On October 30th, I was informed by Ms. Crigler she would provide resources for only three panels twice a week beginning December 1st. I informed her we could support 15 panels. Her response was that only \$118,887 remained in the ARB budget, far less than what would be needed to pay per diems. She also informed me the District expected to have most of its appraisers in the field at that time and unavailable to appear at hearings. She proposed that all protests not heard by the end of 2020 be postponed until April of 2021.

I submitted a scheduling directive proposing to resume continuous call dockets on November 30th. Ms. Crigler responded that any resetting of continuous call dockets would require the consent of the District. The District's attorney, Karen Evertson, further stated to our counsel the District regarded all such dockets as expiring if not completed by the end of the day they are scheduled and that rescheduling them would require the District's consent. We do not agree with this assessment and contend that reducing the backlog by dismissals would be inappropriate.

Ms. Crigler also notified me that, as of November 12th, only \$9,600, remained in funds budgeted for the ARB. Since then, Ms. Crigler has informed me an additional \$147,000-\$182,000 was available, but this will only fund a little more than 4.8 weeks of hearings at 15 panels per day. This is insufficient to clear the entire backlog.

Putting off all or most of these outstanding protests until April would start the new protest season with a burden in excess of what the ARB could hope to handle before the commencement of 2021 protests. This backlog will then be likely to snowball as the season progresses, resulting in an even greater number of unheard protests at its conclusion, propagating the current problem into each successive year.

Meanwhile, the owners of these properties cannot be sent tax bills while their protests remain pending. This will place a burden on the taxing units. Under § 43.01 of the Tax Code, these taxing units could conceivably file suit to compel the District to fund the hearings. Similar suits could be brought by property owners and/or agents. Such suits would likely be based on the District's obligation, under §6.42 of the Tax Code to budget and pay for member per-diems and other actual and necessary expenditures incurred in the performance of board functions.

I do not believe that the District possesses the discretion to prevent the ARB from hearing 37,500 protests by refusing to fund the cost of doing so. I urge the District to take whatever steps are necessary to make sufficient funds available to allow the ARB to complete this year's hearings. In past years, the District has significantly under-budgeted the ARB, but has always found sufficient funds to allow it to do its duty under the Tax Code.

In addition, I urge the District to maximize the number of protests that are settled informally by negotiating with property owners. Alternatively, the backlog can be reduced by entering into settlement-no waiver agreements which leave property owners free to pursue judicial review de novo in district court.

If we are constrained to limit the number of hearings that can be held, it is my intention to schedule the residential protests first. Although §41.45(c) of the Code requires the Chief Appraiser or her designee to attend all hearings, the ARB will accept the District's evidence by affidavit. Panels will, however, proceed to rule on the basis of the property owner's evidence if the District does not appear by representative, or submit an affidavit.

I respectfully request this matter be placed before the District's Board of Directors at its next meeting.

Very truly yours,

Storey Cordelle, Chair