Limited Binding Arbitration

Statutory Authority: Tax Code Section 41A.015

Limited binding arbitration (LBA) is an alternative to litigation in district court that provides property owners who have filed a protest with the appraisal review board (ARB) an avenue to address specific procedural violations of the appraisal district or the ARB during the local protest process.

What procedural violations are eligible for LBA?

- Failure to comply with the hearing procedures adopted by the ARB.
- Failure to adopt hearing procedures in compliance with the model hearing procedures prepared by the Comptroller.
- Failure to schedule a hearing on a protest as required by law.
- Failure to deliver a copy of the taxpayer assistance pamphlet, ARB hearing procedures or information on requesting evidence ahead of a hearing to the property owner.
- Failure to allow the property owner to offer evidence, examine or cross-examine witnesses or other parties, and present arguments during the hearing.
- Failure to comply with the requirement to set a hearing for a specific time and date, and failure to postpone a hearing that does not commence within two hours of the scheduled time.
- Failure to accommodate the property owner's or designated agent's request to schedule hearings on protests concerning multiple properties identified in the same notice of protest on the same day.
- Using or offering as evidence information requested by the property owner that was not delivered to the property owner at least 14 days before the hearing.

How do I file for LBA?

- Written notice must be sent to the ARB chair, the chief appraiser and the taxpayer liaison officer, outlining the alleged procedural requirement violation.
- The notice must be sent by certified mail, return receipt requested, within five business days after the ARB or chief appraiser was required to comply with the requirement.
- If the ARB chair or chief appraiser fails to provide a written statement of compliance or intention to cure the failure within 10 days of receiving the notice, an LBA request can be filed.
- An LBA request must be filed with the Comptroller's office between the 11th and 30th day after the written notice of the alleged procedural violation was received by the relevant parties.
- An LBA request may be filed through the onilne Property Tax Arbitration System (PTAS). Only property owners not represented by an agent may file by paper.

Property Type	Appraised or Market Value	Deposit Amount
Residence Homestead	\$500,000 or less	\$450
Residence Homestead	More than \$500,000	\$550
All Other Property	Any value	\$550

LBA Deposit Schedule

LBA Process and Determinations

Property owner or agent files LBA request with the required deposit with the Comptroller's office. The Comptroller's office appoints an eligible arbitrator from the registry who acts as an independent and neutral third party to oversee the LBA proceedings. The arbitrator promptly contacts all parties to provide comprehensive information about the LBA process and works with the parties to schedule the date, time and venue for the hearing.

Arbitrator determines there was no violation

- If the ARB process is still ongoing, the proceedings continue with no change.
- If the ARB process has concluded, the previous determination stands.

The LBA deposit is used to pay the arbitrator's fee and Comptroller's administrative fee, with any remaining deposit amount refunded to the property owner.

Arbitrator determines there was at least one violation

- ARB or chief appraiser must comply with the procedural requirement; and
- if the hearing on the protest has been held and the ARB has issued an order determining the protest, rescind the order and hold a new hearing on the protest in compliance with the procedural requirement.

The LBA deposit is refunded to the property owner less the Comptroller's administrative fee.

The hearing takes place on the scheduled date where all parties present their arguments, evidence and supporting documentation. The arbitrator carefully considers the presented information and makes a legally binding

determination of whether a

violation occurred.

Frequently Asked Questions

Can I file one LBA for multiple properties or multiple reasons?

Yes, a single LBA and deposit may be filed covering more than one property, more than one protest hearing or more than one procedural violation, as long as each property has the same property owner. The deposit is determined by the property that would have resulted in the highest deposit had the cases been filed separately.

If I file for LBA, can I still appeal an ARB order of determination later?

Yes, an LBA determination does not affect a property owner's right to appeal an ARB determination in district court or through regular binding arbitration, as long as the requirements for those options are met.

Can I have representation during the LBA process?

Yes, property owners may, at their own cost, be represented by an attorney who is licensed in Texas, a licensed real estate broker or salesperson, a registered property tax consultant or a certified public accountant. Desingation of an agent for LBA must be done in writing, using the form prescribed by the Comptroller's office. Agents filing on behalf of property owners must use PTAS to file and pay the deposit.

Is the decision made through LBA legally binding?

Yes, the decision made by the arbitrator in LBA is binding on all parties involved and is enforceable by law and cannot be appealed.

Can I file my LBA online?

Yes, PTAS is available for property owners to file electronically. Agents representing property owners must file electronically. For more information visit **Texas.gov/propertytaxarbitration**.

For more information, visit our website:

<u>comptroller.texas.gov/taxes/property-tax/</u> <u>arbitration/limited-binding</u>

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