

By: Larson

H.B. No. 798

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the authority of an appraisal district to increase the
3 appraised value of property for ad valorem tax purposes in the next
4 tax year in which the property is appraised after a year in which
5 the appraised value of the property is lowered as a result of an
6 agreement, protest, or appeal.

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

8 SECTION 1. Section 23.01, Tax Code, is amended by amending
9 Subsection (e) and adding Subsection (e-1) to read as follows:

10 (e) Notwithstanding any provision of this subchapter to the
11 contrary, if the appraised value of property in a tax year is
12 lowered as a result of an agreement between the property owner and
13 the appraisal district or as a result of a protest or appeal under
14 Subtitle F, the appraised value of the property as specified in the
15 agreement or as finally determined under that subtitle is
16 considered to be the appraised value of the property for that tax
17 year. In the next tax year in which the property is appraised, the
18 chief appraiser may not increase the appraised value of the
19 property unless the increase by the chief appraiser is reasonably
20 supported by clear and convincing evidence when all of the reliable
21 and probative evidence in the record is considered as a whole. If
22 the appraised value is finally determined in a protest under
23 Section 41.41(a)(2) or an appeal under Section 42.26, the chief
24 appraiser may satisfy the requirement to reasonably support by

1 clear and convincing evidence an increase in the appraised value of
2 the property in the next tax year in which the property is appraised
3 by presenting evidence showing that the inequality in the appraisal
4 of property has been corrected with regard to the properties that
5 were considered in determining the value of the subject
6 property. The burden of proof is on the chief appraiser to support
7 an increase in the appraised value of property under the
8 circumstances described by this subsection.

9 (e-1) Notwithstanding Subsection (e) of this section and
10 Section 23.23, if the appraised value of property in a tax year is
11 lowered under the circumstances described by Subsection (e), the
12 chief appraiser may not increase the appraised value of the
13 property in the next tax year in which the property is appraised by
14 an amount that exceeds the sum of five percent of the appraised
15 value of the property in the tax year in which the appraised value
16 of the property is lowered and the market value of all new
17 improvements to the property. This subsection does not apply to an
18 increase in the appraised value of property as a result of:

19 (1) the property no longer being eligible for
20 appraisal under Subchapter C, D, E, F, G, or H; or

21 (2) the expiration of a limitation on appraised value
22 under Section 23.23(a) applicable to the property.

23 SECTION 2. This Act applies only to the appraisal of
24 property for a tax year that begins on or after the effective date
25 of this Act.

26 SECTION 3. This Act takes effect January 1, 2022, but only
27 if the constitutional amendment proposed by the 87th Legislature,

1 Regular Session, 2021, to authorize the legislature to provide that
2 if in a tax year the owner of property disputes the appraisal of the
3 property and the appraised value is lowered as a result, the
4 appraisal entity may not increase the appraised value of the
5 property in the next tax year in which the property is appraised by
6 more than a specified percentage is approved by the voters. If that
7 amendment is not approved by the voters, this Act has no effect.