

By: Lucio III, Shine

H.B. No. 2014

Substitute the following for H.B. No. 2014:

By: Rodriguez

C.S.H.B. No. 2014

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the system for appraising property for ad valorem tax
3 purposes.

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

5 SECTION 1. Section 11.253(a)(2), Tax Code, is amended to
6 read as follows:

7 (2) "Goods-in-transit" means tangible personal
8 property that:

9 (A) is acquired in or imported into this state to
10 be forwarded to another location in this state or outside this
11 state;

12 (B) is stored under a contract of bailment by a
13 public warehouse operator at one or more public warehouse
14 facilities in this state that are not in any way owned or controlled
15 by the owner of the personal property for the account of the person
16 who acquired or imported the property;

17 (C) is transported to another location in this
18 state or outside this state not later than 175 days, or, if
19 applicable, the greater number of days adopted by the taxing unit as
20 authorized by Subsection (1), after the date the person acquired
21 the property in or imported the property into this state; and

22 (D) does not include oil, natural gas, petroleum
23 products, aircraft, dealer's motor vehicle inventory, dealer's
24 vessel and outboard motor inventory, dealer's heavy equipment

1 inventory, or retail manufactured housing inventory.

2 SECTION 2. Section 11.253, Tax Code, is amended by amending
3 Subsections (e) and (g) and adding Subsection (l) to read as
4 follows:

5 (e) In determining the market value of goods-in-transit
6 that in the preceding year were stored in this state, the chief
7 appraiser shall exclude the cost of equipment, machinery, or
8 materials that entered into and became component parts of the
9 goods-in-transit but were not themselves goods-in-transit or that
10 were not transported to another location in this state or outside
11 this state before the expiration of 175 days, or, if applicable, the
12 greater number of days adopted by the taxing unit as authorized by
13 Subsection (l), after the date they were brought into this state by
14 the property owner or acquired by the property owner in this state.
15 For component parts held in bulk, the chief appraiser may use the
16 average length of time a component part was held by the owner of the
17 component parts during the preceding year at a location in this
18 state that was not owned by or under the control of the owner of the
19 component parts in determining whether the component parts were
20 transported to another location in this state or outside this state
21 before the expiration of 175 days, or, if applicable, the greater
22 number of days adopted by the taxing unit as authorized by
23 Subsection (l).

24 (g) If the property owner or the chief appraiser
25 demonstrates that the method provided by Subsection (d)
26 significantly understates or overstates the market value of the
27 property qualified for an exemption under Subsection (b) in the

1 current year, the chief appraiser shall determine the market value
2 of the goods-in-transit to be exempt by determining, according to
3 the property owner's records and any other available information,
4 the market value of those goods-in-transit owned by the property
5 owner on January 1 of the current year, excluding the cost of
6 equipment, machinery, or materials that entered into and became
7 component parts of the goods-in-transit but were not themselves
8 goods-in-transit or that were not transported to another location
9 in this state or outside this state before the expiration of 175
10 days, or, if applicable, the greater number of days adopted by the
11 taxing unit as authorized by Subsection (1), after the date they
12 were brought into this state by the property owner or acquired by
13 the property owner in this state.

14 (1) This subsection applies only to a taxing unit any part
15 of which is located in an area designated a disaster area by a
16 disaster declaration issued under Section 418.014 or 418.108,
17 Government Code, that has not expired or otherwise been terminated.
18 The governing body of a taxing unit, in the manner provided by law
19 for official action, may extend the date by which goods-in-transit
20 must be transported to another location in this state or outside
21 this state to a date not later than the 270th day after the date the
22 person acquired the property in or imported the property into this
23 state. An extension adopted by official action under this
24 subsection applies only to:

25 (1) the exemption from ad valorem taxation by the
26 taxing unit adopting the extension; and

27 (2) the tax year in which the extension is adopted.

1 SECTION 3. Section 23.55, Tax Code, is amended by adding
2 Subsections (e-1) and (r) to read as follows:

3 (e-1) A property owner may request in writing that the chief
4 appraiser determine whether a change of use of the property owner's
5 land has occurred. The request must state the manner in which the
6 property owner is currently using the land. Not later than the 90th
7 day after the date the chief appraiser receives the request, the
8 chief appraiser shall provide the property owner with a written
9 determination that includes a description of the current use of the
10 land and a statement as to whether the current use of the land has
11 resulted in a change of use of the land. If the chief appraiser
12 determines that a change of use of the land has not occurred, the
13 chief appraiser may not later determine that a change of use of the
14 land has occurred on the basis of the use described in the written
15 determination.

16 (r) The sanctions provided by Subsection (a) do not apply to
17 a change in the use of land if, after the change in use, the physical
18 characteristics of the land remain consistent with the physical
19 characteristics of the land during the period for which the land was
20 eligible for appraisal under this subchapter.

21 SECTION 4. Section 25.02, Tax Code, is amended by adding
22 Subsections (c), (d), (e), and (f) to read as follows:

23 (c) Each appraisal record must have a unique account number.
24 If an appraisal district changes the account number of an appraisal
25 record, the appraisal district must provide written notice of the
26 change to the property owner as soon as practicable after the change
27 and provide notice of the change in the next notice of appraised

1 value of the property included in the record that is delivered to
2 the property owner under Section 25.19.

3 (d) This subsection does not apply to an appraisal record
4 for a residential property, for an improvement only, or for a
5 property on which a delinquent tax is due. On the written request
6 of a property owner, the chief appraiser shall combine contiguous
7 parcels or tracts of the owner's real property into a single
8 appraisal record. On the written request of a property owner, the
9 chief appraiser shall separate identifiable segments of the owner's
10 parcel or tract of real property into individual appraisal records.

11 (e) A property owner must make a request under Subsection
12 (d) before January 1 of the tax year for which the requested change
13 to the appraisal records is to be made. The request must contain a
14 legal description as contained in a deed sufficient to describe the
15 property subject to the request.

16 (f) If a chief appraiser refuses to combine parcels or
17 tracts, or separate a parcel or tract, on request of a property
18 owner under Subsection (d), the appraisal review board may order
19 the requested change on a motion filed by the property owner under
20 Section 25.25 or a protest filed under Chapter 41.

21 SECTION 5. Section 25.19, Tax Code, is amended by adding
22 Subsections (m) and (n) to read as follows:

23 (m) The chief appraiser may not deliver a corrected or
24 amended notice of appraised value later than June 1 for property for
25 which a person files a rendition statement or property report as
26 required by Chapter 22 unless the purpose of the notice is to:

27 (1) include omitted property; or

1 (2) correct a clerical error.

2 (n) As soon as practicable after delivering a notice
3 required by this section to a property owner, the chief appraiser
4 shall post the notice on the appraisal district's Internet website,
5 if the appraisal district maintains a website, as part of the
6 appraisal record pertaining to the property.

7 SECTION 6. Section 31.11(h), Tax Code, is amended to read as
8 follows:

9 (h) This section does not apply to an overpayment caused by
10 a change of exemption status or correction of a tax roll, including
11 an overpayment received after a correction of a tax roll as a result
12 of an appeal under Chapter 42. Such an overpayment is covered by
13 Section 26.15 or 42.43, as applicable.

14 SECTION 7. Section 41.44(d), Tax Code, is amended to read as
15 follows:

16 (d) A notice of protest is sufficient if it identifies the
17 protesting property owner, including a person claiming an ownership
18 interest in the property even if that person is not listed on the
19 appraisal records as an owner of the property, identifies the
20 property that is the subject of the protest, and indicates apparent
21 dissatisfaction with some determination of the appraisal
22 office. The notice need not be on an official form, but the
23 comptroller shall prescribe a form that provides for more detail
24 about the nature of the protest. The form must permit a property
25 owner to include each property in the appraisal district that is the
26 subject of a protest. The form must permit a property owner to
27 request that the protest be heard by a special panel established

1 under Section 6.425 if the protest will be determined by an
2 appraisal review board to which that section applies and the
3 property is included in a classification described by Section
4 6.425(b). The form must permit a property owner to request that the
5 protest be heard by a single-member panel authorized by Section
6 41.45(b-4). The comptroller, each appraisal office, and each
7 appraisal review board shall make the forms readily available and
8 deliver one to a property owner on request.

9 SECTION 8. Section 41.45, Tax Code, is amended by adding
10 Subsections (b-4) and (b-5) and amending Subsections (d), (d-2),
11 and (d-3) to read as follows:

12 (b-4) An appraisal review board shall sit in a single-member
13 panel to conduct a protest hearing under this section if the
14 property owner requests that the hearing be conducted by a
15 single-member panel:

16 (1) in the notice of protest; or

17 (2) in writing submitted to the board not later than
18 the 10th day before the date of the hearing.

19 (b-5) If the recommendation of a single-member panel that
20 conducts a hearing under Subsection (b-4) is not accepted by the
21 appraisal review board, the board may refer the matter for
22 rehearing to a single-member panel composed of a member who did not
23 hear the original protest or the board may determine the protest.

24 (d) This subsection does not apply to a single-member panel
25 established under Subsection (b-4) of this section or a special
26 panel established under Section 6.425. An appraisal review board
27 consisting of more than three members may sit in panels of not fewer

1 than three members to conduct protest hearings. If the
2 recommendation of a panel is not accepted by the board, the board
3 may refer the matter for rehearing to a panel composed of members
4 who did not hear the original protest or, if there are not at least
5 three members who did not hear the original protest, the board may
6 determine the protest.

7 (d-2) The determination of a protest heard by a panel under
8 Subsection (b-4), (d) , or (d-1) must be made by the board.

9 (d-3) The board must deliver notice of a hearing or meeting
10 to determine a protest heard by a panel, or to rehear a protest,
11 under Subsection (b-4), (d) , or (d-1) in accordance with the
12 provisions of this subchapter.

13 SECTION 9. Section [41.47](#), Tax Code, is amended by amending
14 Subsection (c) and adding Subsection (d-1) to read as follows:

15 (c) If the protest is of the determination of the appraised
16 value of the owner's property, the appraisal review board must
17 state in the order the appraised value of the property, listed
18 separately in the case of real property as the appraised value of
19 the land and the appraised value of any improvement to the land as
20 allocated by the chief appraiser:

21 (1) as shown in the appraisal records submitted to the
22 board by the chief appraiser under Section [25.22](#) or [25.23](#); and

23 (2) as finally determined by the board.

24 (d-1) This subsection applies only to an appraisal district
25 established in a county with a population of 120,000 or more. The
26 requirements of this subsection are in addition to the requirements
27 of Subsection (d). On written request submitted to the chief

1 appraiser, the chief appraiser shall deliver by e-mail, in the
2 manner provided by this subsection, a copy of the notice of issuance
3 of the order and a copy of the order required by Subsection (d) if
4 the property subject to the order is not the subject of an agreement
5 under Section 1.085. A request under this subsection may be
6 submitted only by the property owner whose property is subject to
7 the protest for which the order is issued, an attorney representing
8 the property owner, or an individual designated by the property
9 owner under Section 1.111. A person may include in a single request
10 more than one property owned by the same property owner or multiple
11 properties owned by multiple property owners. A person may submit
12 more than one request. A person submitting a request must indicate
13 in the request that the chief appraiser must make the delivery to
14 the property owner, an attorney representing the property owner, an
15 individual designated by the property owner under Section 1.111, or
16 a combination of those persons. A person must submit a request
17 before the protest hearing relating to each property included in
18 the request. The chief appraiser shall deliver, as provided by this
19 subsection, a copy of the notice of issuance of the order and a copy
20 of the order required by Subsection (d) not later than the 21st day
21 after the date the appraisal review board issues the order.

22 SECTION 10. Section 42.01, Tax Code, is amended by adding
23 Subsection (a-1) to read as follows:

24 (a-1) A property owner may not appeal separately the portion
25 of an order of an appraisal review board determining the appraised
26 value of land or the portion of the order determining the appraised
27 value of an improvement to the land if the order determined the

1 appraised value of both.

2 SECTION 11. Section 42.015(a), Tax Code, is amended to read
3 as follows:

4 (a) A person leasing property who is contractually
5 obligated to reimburse the property owner for taxes imposed on the
6 property is entitled to appeal an order of the appraisal review
7 board determining a protest relating to the property:

8 (1) brought by the person under Section 41.413; or

9 (2) brought by the property owner if the property
10 owner does not appeal the order.

11 SECTION 12. Section 42.23(e), Tax Code, is amended to read
12 as follows:

13 (e) For purposes of Subsection (d), a property owner may
14 designate a cause of action under Section 42.25 or 42.26 as the
15 basis for an appeal, but may not designate a cause of action under
16 both sections as the basis for the appeal. Discovery regarding a
17 cause of action that is not specifically designated by the property
18 owner under Subsection (d) shall be conducted as provided by the
19 Texas Rules of Civil Procedure. A [The] court may not enter an
20 order, including a protective order [to modify the provisions of
21 this subsection] under Rule 192.6 of the Texas Rules of Civil
22 Procedure, that conflicts with Subsection (d).

23 SECTION 13. Section 11.253, Tax Code, as amended by this
24 Act, applies only to a tax year beginning on or after the effective
25 date of this Act.

26 SECTION 14. Section 25.19, Tax Code, as amended by this Act,
27 applies only to a notice of appraised value for a tax year beginning

1 on or after the effective date of this Act.

2 SECTION 15. Sections 41.45 and 41.47, Tax Code, as amended
3 by this Act, apply only to a protest under Chapter 41, Tax Code, for
4 which a notice of protest is filed on or after the effective date of
5 this Act.

6 SECTION 16. Sections 42.01, 42.015, and 42.23, Tax Code, as
7 amended by this Act, apply only to an appeal under Chapter 42, Tax
8 Code, that is filed on or after the effective date of this Act.

9 SECTION 17. This Act takes effect January 1, 2022.