

By: Parker

S.B. No. 2357

A BILL TO BE ENTITLED

AN ACT

relating to ad valorem taxation.

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

SECTION 1. Section 81.024, Government Code, is amended by adding Subsection (c) to read as follows:

(c) If the supreme court adopts the Texas Disciplinary Rules of Professional Conduct under Subsection (b), the rules must provide that it is a violation of the Texas Disciplinary Rules of Professional Conduct for an attorney to make a request described by Section 42.23(i), Tax Code. An attorney who violates that rule is subject to discipline under Subchapter E.

SECTION 2. Section 1.111, Tax Code, is amended by amending Subsection (d) and adding Subsection (d-1) to read as follows:

(d) Except as provided by Subsection (d-1), a [A] property owner may not designate more than one agent to represent the property owner in connection with an item of property. The designation of an agent in connection with an item of property revokes any previous designation of an agent in connection with that item of property.

(d-1) A property owner may designate a different agent to represent the property owner in connection with an item of property in a different tax year without revoking any previous designation of an agent in connection with the same item of property in a previous tax year.

1 SECTION 3. Section 5.07, Tax Code, is amended by adding  
2 Subsection (k) to read as follows:

3 (k) The comptroller shall prescribe the form that an  
4 appraisal review board shall use to make a determination required  
5 to be made by written order under this title. The form must require  
6 an appraisal review board to include for the property subject to the  
7 order the property owner's name, the property's identification  
8 number, the property's legal description and physical address, and  
9 any other information the comptroller determines necessary. The  
10 comptroller shall post the form on the comptroller's Internet  
11 website.

12 SECTION 4. Section 11.161, Tax Code, is amended by adding  
13 Subsection (c) to read as follows:

14 (c) For purposes of Subsection (a), farm or ranch products  
15 may be produced by hydroponic farming.

16 SECTION 5. Section 11.24, Tax Code, is amended by adding  
17 Subsection (c) to read as follows:

18 (c) For purposes of a structure or archeological site and  
19 land subject to an exemption under this section, the property owner  
20 may protest the appraised value of the structure or archeological  
21 site and the appraised value of the land separately. A property  
22 owner may protest the allocation of appraised value between the  
23 structure or archeological site and the land.

24 SECTION 6. Section 11.43(i), Tax Code, is amended to read as  
25 follows:

26 (i) If the chief appraiser discovers that an exemption that  
27 is not required to be claimed annually has been erroneously allowed

1 in any one of the three [~~five~~] preceding years for real property, or  
2 in either of the two preceding years for personal property, the  
3 chief appraiser shall add the property or appraised value that was  
4 erroneously exempted for each year to the appraisal roll as  
5 provided by Section 25.21 of this code for other property that  
6 escapes taxation. If an exemption that was erroneously allowed did  
7 not apply to all taxing units in which the property was located, the  
8 chief appraiser shall note on the appraisal records, for each prior  
9 year, the taxing units that gave the exemption and are entitled to  
10 impose taxes on the property or value that escaped taxation.

11 SECTION 7. Subchapter C, Chapter 11, Tax Code, is amended by  
12 adding Section 11.4392 to read as follows:

13 Sec. 11.4392. LATE APPLICATION FOR PROPERTY EXEMPTED FROM  
14 TAXATION BY AGREEMENT. The chief appraiser shall accept and  
15 approve or deny an application for an exemption a person is entitled  
16 to receive under Section 11.28 or an agreement entered into under  
17 Chapter 312 after the deadline for filing it has passed if it is  
18 filed on or before June 15.

19 SECTION 8. Section 22.28(a), Tax Code, is amended to read as  
20 follows:

21 (a) Except as otherwise provided by Section 22.30, the chief  
22 appraiser shall impose a penalty on a person who fails to timely  
23 file a rendition statement or property report required by this  
24 chapter in an amount equal to five [~~10~~] percent of the total amount  
25 of taxes imposed on the property for that year by taxing units  
26 participating in the appraisal district. The chief appraiser shall  
27 deliver by first class mail a notice of the imposition of the

1 penalty to the person. The notice may be delivered with a notice of  
2 appraised value provided under Section 25.19, if practicable.

3 SECTION 9. Section 22.30, Tax Code, is amended by adding  
4 Subsection (a-2) to read as follows:

5 (a-2) The chief appraiser shall waive the penalty imposed by  
6 Section 22.28 if the property owner has not previously filed a  
7 delinquent rendition statement or property report for that parcel  
8 of property.

9 SECTION 10. Section 23.51(2), Tax Code, is amended to read  
10 as follows:

11 (2) "Agricultural use" includes but is not limited to  
12 the following activities: cultivating the soil, producing crops for  
13 human food, animal feed, or planting seed or for the production of  
14 fibers; floriculture, viticulture, and horticulture; raising or  
15 keeping livestock; raising or keeping exotic animals for the  
16 production of human food or of fiber, leather, pelts, or other  
17 tangible products having a commercial value; planting cover crops  
18 or leaving land idle for the purpose of participating in a  
19 governmental program, provided the land is not used for residential  
20 purposes or a purpose inconsistent with agricultural use; and  
21 planting cover crops or leaving land idle in conjunction with  
22 normal crop or livestock rotation procedure. The term also includes  
23 the use of land to produce or harvest logs and posts for the use in  
24 constructing or repairing fences, pens, barns, or other  
25 agricultural improvements on adjacent qualified open-space land  
26 having the same owner and devoted to a different agricultural use.  
27 The term also includes the use of land for wildlife management. The

1 term also includes the use of land to raise or keep bees for  
2 pollination or for the production of human food or other tangible  
3 products having a commercial value, provided that the land used is  
4 not less than 5 or more than 20 acres. The term also includes the use  
5 of land for hydroponic farming.

6 SECTION 11. Section 23.52, Tax Code, is amended by adding  
7 Subsection (h) to read as follows:

8 (h) The chief appraiser may appraise a portion of a parcel  
9 of land according to this chapter if the portion qualifies for  
10 appraisal under this subchapter but the remainder of the parcel  
11 does not.

12 SECTION 12. Subchapter D, Chapter 23, Tax Code, is amended  
13 by adding Section 23.527 to read as follows:

14 Sec. 23.527. ELIGIBILITY OF LAND PREVIOUSLY DEVOTED TO  
15 SOLAR OR WIND POWER FACILITY. (a) In this section:

16 (1) "Solar power facility" has the meaning  
17 assigned by Section 302.0001, Utilities Code.

18 (2) "Wind power facility" has the meaning  
19 assigned by Section 301.0001, Utilities Code.

20 (b) This section applies only to land:

21 (1) that was previously appraised as qualified  
22 open-space land as provided by this subchapter;

23 (2) that became ineligible for appraisal as provided  
24 by this subchapter due to a change of use caused by the development  
25 of a solar power facility or a wind power facility on the land;

26 (3) on which the solar power facility or wind power  
27 facility described by Subdivision (2) is no longer in operation;

1 and

2 (4) that is currently devoted principally to  
3 agricultural use to the degree of intensity generally accepted in  
4 the area.

5 (c) Notwithstanding any other provision of this subchapter,  
6 land described by Subsection (b) is qualified open-space land.

7 SECTION 13. Section 25.25, Tax Code, is amended by adding  
8 Subsection (q) to read as follows:

9 (q) An appraisal review board shall issue a written order  
10 under this section using the form prescribed by the comptroller  
11 under Section 5.07(k).

12 SECTION 14. Chapter 25, Tax Code, is amended by adding  
13 Section 25.255 to read as follows:

14 Sec. 25.255. EXACT CORRECTION OF ROLL. A chief appraiser  
15 that corrects the appraisal roll to include the appraised value of  
16 property, including as determined by an appraisal review board  
17 under Chapter 25.25 or Chapter 41, or a district court under Chapter  
18 42, must correct the roll to show the exact dollar amount of the new  
19 appraised value.

20 SECTION 15. Section 26.09, Tax Code, is amended by amending  
21 Subsection (d) and adding Subsection (d-3) to read as follows:

22 (d) If a property is subject to taxation for a prior year in  
23 which it escaped taxation, the assessor shall calculate the tax for  
24 each year separately. In calculating the tax, the assessor shall  
25 use the assessment ratio and tax rate in effect in the taxing unit  
26 for the year for which back taxes are being imposed. Except as  
27 provided by Subsections [~~Subsection~~] (d-1) and (d-3), the amount of

1 back taxes due incurs interest calculated at the rate provided by  
2 Section 33.01(c) from the date the tax would have become delinquent  
3 had the tax been imposed in the proper tax year.

4 (d-3) Back taxes assessed under Subsection (d) on property a  
5 chief appraiser discovers was omitted from an appraisal roll under  
6 Section 25.21 do not incur interest as required by Subsection (d).

7 SECTION 16. Section 31.01(c), Tax Code, is amended to read  
8 as follows:

9 (c) The tax bill or a separate statement accompanying the  
10 tax bill shall:

- 11 (1) identify the property subject to the tax;
- 12 (2) state the appraised value, assessed value, and  
13 taxable value of the property, which must be exact and not rounded  
14 numbers;
- 15 (3) if the property is land appraised as provided by  
16 Subchapter C, D, E, or H, Chapter 23, state the market value and the  
17 taxable value for purposes of deferred or additional taxation as  
18 provided by Section 23.46, 23.55, 23.76, or 23.9807, as applicable;
- 19 (4) state the assessment ratio for the unit;
- 20 (5) state the type and amount of any partial exemption  
21 applicable to the property, indicating whether it applies to  
22 appraised or assessed value;
- 23 (6) state the total tax rate for the unit;
- 24 (7) state the amount of tax due, the due date, and the  
25 delinquency date;
- 26 (8) explain the payment option and discounts provided  
27 by Sections 31.03 and 31.05, if available to the unit's taxpayers,

1 and state the date on which each of the discount periods provided by  
2 Section 31.05 concludes, if the discounts are available;

3 (9) state the rates of penalty and interest imposed  
4 for delinquent payment of the tax;

5 (10) include the name and telephone number of the  
6 assessor for the unit and, if different, of the collector for the  
7 unit;

8 (11) for real property, state for the current tax year  
9 and each of the preceding five tax years:

10 (A) the appraised value and taxable value of the  
11 property;

12 (B) the total tax rate for the unit;

13 (C) the amount of taxes imposed on the property  
14 by the unit; and

15 (D) the difference, expressed as a percent  
16 increase or decrease, as applicable, in the amount of taxes imposed  
17 on the property by the unit compared to the amount imposed for the  
18 preceding tax year; ~~and~~

19 (12) for real property, state the differences,  
20 expressed as a percent increase or decrease, as applicable, in the  
21 following for the current tax year as compared to the fifth tax year  
22 before that tax year:

23 (A) the appraised value and taxable value of the  
24 property;

25 (B) the total tax rate for the unit; and

26 (C) the amount of taxes imposed on the property  
27 by the unit; and

1           (13) include the appraisal district account number for  
2 the property.

3           SECTION 17. Section 41.07(a), Tax Code, is amended to read  
4 as follows:

5           (a) The appraisal review board shall determine each  
6 challenge and make its decision by written order using the form  
7 prescribed by the comptroller under Section 5.07(k).

8           SECTION 18. Section 41.45(b), Tax Code, is amended to read  
9 as follows:

10           (b) A property owner initiating a protest is entitled to  
11 appear in-person to offer evidence or argument, and may not be  
12 denied a hearing at which the property owner and chief appraiser are  
13 both present in-person. A property owner may offer evidence or  
14 argument by affidavit without personally appearing and may appear  
15 by telephone conference call or videoconference to offer argument.  
16 A property owner who appears by telephone conference call or  
17 videoconference must offer any evidence by affidavit. A property  
18 owner must submit an affidavit described by this subsection to the  
19 board hearing the protest before the board begins the hearing on the  
20 protest. On receipt of an affidavit, the board shall notify the  
21 chief appraiser. The chief appraiser may inspect the affidavit and  
22 is entitled to a copy on request.

23           SECTION 19. Section 41.47(a), Tax Code, is amended to read  
24 as follows:

25           (a) The appraisal review board hearing a protest shall  
26 determine the protest and make its decision by written order using  
27 the form prescribed by the comptroller under Section 5.07(k).

1 SECTION 21 Section 41.67, Tax Code, is amended by adding  
2 Subsection (f) to read as follows:

3 (f) A property owner may submit evidence electronically at  
4 any point before or during a hearing.

5 SECTION 21. Section 41A.09, Tax Code, is amended by adding  
6 Subsection (f) to read as follows:

7 (f) The arbitrator may not determine the appraised value of  
8 the property that is the subject of an arbitration to be an amount  
9 greater than the appraised value of the property as shown in the  
10 appraisal records submitted to the appraisal review board by the  
11 chief appraiser under Section 25.22 or 25.23, except as requested  
12 and agreed to by the property owner.

13 SECTION 22. Section 42.01, Tax Code, is amended by adding  
14 Subsection (d) to read as follows:

15 (d) Notwithstanding Subsection (a), a person who owned  
16 property at any time during a tax year but no longer owns the  
17 property is entitled to file an appeal under this chapter as if the  
18 person were the current owner of the property, regardless of  
19 whether the person is the person subject to an order described by  
20 that subsection.

21 SECTION 23. Section 42.21, Tax Code, is amended by amending  
22 Subsections (a), (b), and (c) and adding Subsections (a-1) and  
23 (a-2) to read as follows:

24 (a) A party who appeals as provided by this chapter must  
25 file a petition for review with the district court not later than  
26 the later of:

27 (1) the 60th day [~~within 60 days~~] after the date the

1 party receives [~~received~~] notice that a final order has been  
2 entered from which the [~~an~~] appeal may be had; or

3 (2) September 1 of the year in which the final order is  
4 entered [~~at any time after the hearing but before the 60 day~~  
5 ~~deadline~~].

6 (a-1) Subject to Subsection (a), a party may file a petition  
7 for review under this section at any time after:

8 (1) the protest hearing, regardless of whether the  
9 party has received notice that a final order has been entered;

10 (2) notifying the appraisal review board that the  
11 chief appraiser and the party have agreed to a disposition of the  
12 protest and requesting the board to issue an agreed order under  
13 Section 41.47(g) or (g-1); or

14 (3) submitting an affidavit to the board hearing the  
15 protest under Section 41.45(b).

16 (a-2) Failure to timely file a petition bars any appeal  
17 under this chapter.

18 (b) [~~A petition for review brought under Section 42.02 must~~  
19 ~~be brought against the owner of the property involved in the~~  
20 ~~appeal.~~] A petition for review brought under Section 42.031 must be  
21 brought against the appraisal district and against the owner of the  
22 property involved in the appeal. A petition for review brought  
23 under Section 42.01(a)(2) or 42.03 must be brought against the  
24 comptroller. Any other petition for review under this chapter must  
25 be brought against the appraisal district. A petition for review  
26 may not be brought against the appraisal review board. An appraisal  
27 district may hire an attorney that represents the district to

1 represent the appraisal review board established for the district  
2 to file an answer and obtain a dismissal of a suit filed against the  
3 appraisal review board in violation of this subsection.

4 (c) If an appeal under this chapter is pending when the  
5 appraisal review board issues an order in a subsequent year under a  
6 protest by the same property owner and that protest relates to the  
7 same property that is involved in the pending appeal, the property  
8 owner may appeal the subsequent appraisal review board order by  
9 amending the original petition for the pending appeal to include  
10 the grounds for appealing the subsequent order. The amended  
11 petition must be filed with the court not later than the 90th day  
12 after the date the property owner receives notice that a final order  
13 has been entered from which an appeal may be had [~~in the period~~  
14 ~~provided by Subsection (a) for filing a petition for review of the~~  
15 ~~subsequent order~~]. A property owner may appeal the subsequent  
16 appraisal review board order under this subsection or may appeal  
17 the order independently of the pending appeal as otherwise provided  
18 by this section, but may not do both. A property owner may change  
19 the election of remedies provided by this subsection at any time  
20 before the end of the period provided by Subsection (a) for filing a  
21 petition for review.

22 SECTION 24. Section 42.23, Tax Code, is amended by adding  
23 Subsections (a-1), (a-2), (i), (j), (k), (l), and (m) to read as  
24 follows:

25 (a-1) A chief appraiser, appraisal district, or appraisal  
26 review board may not bring a counterclaim in an appeal brought under  
27 this chapter.

1       (a-2) An appraisal district may not seek affirmative relief  
2 in an appeal brought under this chapter.

3       (i) An entity is not required to be registered to do  
4 business in this state in order to file an appeal under this chapter  
5 or to be considered a proper party to bring a petition. A formal or  
6 informal request for information regarding an entity's  
7 registration status:

8           (1) is outside the scope of permissible discovery in  
9 an appeal under this chapter;

10          (2) may not be made a prerequisite to a settlement  
11 discussion related to that appeal; and

12          (3) may be grounds for sanctions by the court on the  
13 motion of a party.

14       (j) A party to an appeal under this chapter may file an  
15 objection to third-party discovery. The court shall grant  
16 third-party discovery subject to the objection only if the  
17 discovery:

18           (1) is necessary under generally accepted appraisal  
19 methods and techniques to determine the value of the property that  
20 is the subject of the appeal; and

21           (2) would be admissible at trial.

22       (k) A party to an appeal under Section 42.26 may file an  
23 objection to a discovery request for a closing statement, a rent  
24 roll, or an operating statement. The court shall grant the  
25 discovery request subject to the objection only if the discovery:

26           (1) is necessary under generally accepted appraisal  
27 methods and techniques to determine the value of the property that

1 is the subject of the appeal; and

2 (2) would be admissible at trial.

3 (1) The district court may not order discovery unless  
4 discovery is requested by a party to the appeal.

5 (m) The district court may not:

6 (1) impose deadlines for discovery related to an  
7 expert witness, including deadlines for designating an expert  
8 witness, that fall before the deadlines specified by the Texas  
9 Rules of Civil Procedure; or

10 (2) otherwise accelerate discovery related to an  
11 expert witness, unless agreed to by the parties.

12 SECTION 25. Subchapter B, Chapter 42, Tax Code, is amended  
13 by adding Sections 42.232 and 42.233 to read as follows:

14 Sec. 42.232. TRIAL DATE. (a) A district court may not set a  
15 trial date on an appeal that is less than 12 months after the date  
16 the appeal is filed, unless the parties agree to an earlier trial  
17 date.

18 (b) On request of a party to an appeal, the district court  
19 shall:

20 (1) grant a continuance if the party requesting the  
21 continuance has not previously been granted a continuance;

22 (2) set a new trial date that is not less than six  
23 months after the date for which the original trial was set; and

24 (3) extend all litigation deadlines proportionally.

25 Sec. 42.233. TRANSFER OF APPEAL TO STATE OFFICE OF  
26 ADMINISTRATIVE HEARINGS. On request of a property owner who is a  
27 party to an appeal under this chapter and who was eligible to file

1 the appeal under Subchapter Z, Chapter 2003, Government Code, the  
2 district court shall transfer the appeal to the State Office of  
3 Administrative Hearings to determine the appeal under that  
4 subchapter. The property owner must make the request not later than  
5 the 30th day before the date on which the trial is originally set to  
6 begin.

7 SECTION 26. Section 42.26, Tax Code, is amended by adding  
8 Subsections (e) and (f) to read as follows:

9 (e) A district court may not determine the appraised value  
10 of the property that is subject to an appeal under this section to  
11 be an amount greater than the appraised value of the property as  
12 shown in the appraisal records submitted to the board by the chief  
13 appraiser under Section 25.22 or 25.23.

14 (f) If a claim that a property is appraised unequally is the  
15 sole cause of action in an appeal, the appraisal district may not  
16 request through discovery financial information related to the  
17 property, including a rent roll or appraisal.

18 SECTION 27. Section 42.41(b), Tax Code, is amended to read  
19 as follows:

20 (b) The assessor for each affected taxing unit shall correct  
21 the tax roll and other appropriate records for which the assessor is  
22 responsible. The assessor must correct the tax roll to indicate the  
23 exact dollar amount of the corrected value.

24 SECTION 28. Sections 42.43(b-1), (f), and (g), Tax Code,  
25 are amended to read as follows:

26 (b-1) A taxing unit may not send a refund made under this  
27 section before the earlier of:

1           (1) the 60th [~~21st~~] day after the final determination  
2 of the appeal; or

3           (2) the date the property owner files the form  
4 prescribed by Subsection (i) with the taxing unit.

5           (f) The final judgment in an appeal under this chapter shall  
6 [~~may~~] designate to whom and where a refund is to be sent if the  
7 property owner or the property owner's agent designated under  
8 Section 1.111 files the form required under Subsection (i).

9           (g) If a form prescribed by the comptroller under Subsection  
10 (i) is filed with a taxing unit before the 60th [~~21st~~] day after the  
11 final determination of an appeal that requires a refund be made, the  
12 taxing unit shall send the refund to the person and address  
13 designated on the form.

14           SECTION 29. Section 42.02, Tax Code, is repealed.

15           SECTION 30. As soon as practicable after the effective date  
16 of this Act, the Texas Supreme Court shall adopt rules as required  
17 by Section 81.024(c), Government Code, as added by this Act.

18           SECTION 31. As soon as practicable but not later than the  
19 effective date of this Act, the comptroller of public accounts  
20 shall prescribe and post on the comptroller's Internet website the  
21 form required by Section 5.07(k), Tax Code, as added by this Act.

22           SECTION 32. Sections 5.07, 25.25, 41.07, and 41.47, Tax  
23 Code, as amended by this Act, apply only to an appraisal review  
24 board order issued on or after the effective date of this Act. An  
25 appraisal review board order issued before the effective date of  
26 this Act is governed by the law in effect on the date the order was  
27 issued, and the former law is continued in effect for that purpose.

1           SECTION 33. Sections 11.161 and 11.24, Tax Code, as amended  
2 by this Act, apply only to ad valorem taxes imposed for an ad  
3 valorem tax year that begins on or after the effective date of this  
4 Act.

5           SECTION 34. Section 11.43(i), Tax Code, as amended by this  
6 Act, applies only to an erroneously allowed exemption discovered on  
7 or after the effective date of this Act. An erroneously allowed  
8 exemption discovered before the effective date of this Act is  
9 governed by the law in effect on the date the exemption was  
10 discovered, and the former law is continued in effect for that  
11 purpose.

12           SECTION 35. Section 11.4392, Tax Code, as added by this Act,  
13 applies only to an application for an ad valorem tax exemption  
14 submitted to a chief appraiser on or after the effective date of  
15 this Act.

16           SECTION 36. Sections 22.28(a) and 22.30, Tax Code, as  
17 amended by this Act, apply only to a rendition statement or property  
18 report required to be filed on or after the effective date of this  
19 Act. A rendition statement or property report required to be filed  
20 before the effective date of this Act is governed by the law in  
21 effect on the date the statement or report was required to be filed,  
22 and the former law is continued in effect for that purpose.

23           SECTION 37. Section 23.52, Tax Code, as amended by this Act  
24 and Section 23.527, Tax Code, as added by this Act, apply only to  
25 the appraisal of land for ad valorem tax purposes for a tax year  
26 that begins on or after the effective date of this Act.

27           SECTION 38. Section 26.09, Tax Code, as amended by this Act,

1 applies only to taxes assessed on property as provided by  
2 Subsection (d) of that section on or after the effective date of  
3 this Act. Taxes assessed on property before the effective date of  
4 this Act are governed by the law in effect on the date the taxes were  
5 assessed, and the former law is continued in effect for that  
6 purpose.

7 SECTION 39. Section 41A.09(f), Tax Code, as added by this  
8 Act, applies only to a determination of appraised value made by an  
9 arbitrator under Chapter 41A, Tax Code, on or after the effective  
10 date of this Act.

11 SECTION 40. Chapter 42, Tax Code, as amended by this Act,  
12 applies only to an appeal under that chapter that is filed on or  
13 after the effective date of this Act. An appeal filed before the  
14 effective date of this Act is governed by the law in effect on the  
15 date the appeal was filed, and the former law is continued in effect  
16 for that purpose.

17 SECTION 41. This Act takes effect January 1, 2024.