

By: Turner

H.B. No. 4478

A BILL TO BE ENTITLED

AN ACT

relating to the determination by an appraisal district of the capitalization rate to be used in the appraisal for ad valorem tax purposes of property used for low-income housing.

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

SECTION 1. Section 11.1825, Tax Code, is amended by adding Subsection (r-1) to read as follows:

(r-1) An appraisal district shall post on the district's Internet website, if the district maintains an Internet website, the methodology used by the district to develop the capitalization rate proposed to be used in the district for that tax year. The appraisal district may not give notice of the capitalization rate under Subsection (r) until the district has posted the methodology as required by this subsection and provided the public a reasonable opportunity to comment on the methodology's applicability for the territory in which the rate will be used. The methodology used to develop the capitalization rate:

(1) may not be based solely on a percentage increase or decrease from the prior tax year's capitalization rate; and

(2) must include viable economic metrics for the corresponding market where the rate will be applied.

SECTION 2. This Act applies only to an ad valorem tax year that begins on or after the effective date of this Act.

SECTION 3. This Act takes effect January 1, 2026.