

By: Talton

H.B. No. 1082

A BILL TO BE ENTITLED

AN ACT

relating to the appraisal of property by appraisal districts.

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

SECTION 1. (a) Section 6.025, Tax Code, is amended by adding Subsection (d) to read as follows:

(d) If on May 1 all the chief appraisers of the appraisal districts described by Subsection (a) in which a parcel or item of property is located are not in agreement as to the appraised or market value of the property, on that date each of the chief appraisers shall enter as the appraised or market value of the property on the appraisal records of the appropriate appraisal district the lowest appraised or market value of the property as determined by any of the chief appraisers. If as a result of a protest, appeal, or other action the appraised or market value of the property is subsequently reduced in any of the appraisal districts, the chief appraiser shall notify each of the appraisal districts of the reduced appraised or market value. The chief appraiser of each appraisal district shall enter that reduced appraised or market value on the appraisal records as the appraised or market value of the property. If the appraised or market value is reduced in more than one appraisal district, each chief appraiser shall enter the lowest of those values on the appraisal records.

(b) This section takes effect January 1, 2004, and applies

1 only to the appraisal for ad valorem tax purposes of property for a
2 tax year that begins on or after that date.

3 SECTION 2. Section 41.43, Tax Code, is amended by amending
4 Subsections (a) and (b) and adding Subsection (d) to read as
5 follows:

6 (a) Except as provided by Subsection (b), in [In] a protest
7 authorized by Section 41.41(a)(1) or (2) [~~41.41(1) or (2)~~], the
8 appraisal district has the burden of establishing the value of the
9 property by a preponderance of the evidence presented at the
10 hearing. If the appraisal district fails to meet that standard, the
11 protest shall be determined in favor of the property owner.

12 (b) A protest on the ground of unequal appraisal of property
13 shall be determined in favor of the appraisal district [~~protesting~~
14 ~~party~~] unless the protesting party [~~appraisal district~~]
15 establishes that:

16 (1) the appraisal ratio of the property is [not]
17 greater than the median level of appraisal of [+

18 (-)] a reasonable and representative sample of other
19 properties in the appraisal district;

20 (2) the appraisal ratio of the property is greater
21 than the median level of appraisal of a sample of properties in the
22 appraisal district consisting of a reasonable number of other
23 properties similarly situated to, or of the same general kind or
24 character as, the property subject to the protest; or

25 (3) the appraised value of the property is greater
26 than the median appraised value of a reasonable number of
27 comparable properties appropriately adjusted.

1 (d) For purposes of this section, the value of the property
2 subject to the protest and the value of a comparable property or
3 sample property that is used for comparison must be the market value
4 determined by the appraisal district when the property is a
5 residence homestead subject to the limitation on appraised value
6 imposed by Section 23.23.

7 SECTION 3. Sections 42.26(a), (b), and (d), Tax Code, are
8 amended to read as follows:

9 (a) The district court shall grant relief on the ground that
10 a property is appraised unequally if:

11 (1) the appraisal ratio of the property exceeds by at
12 least 10 percent the median level of appraisal of [+

13 [~~1~~] a reasonable and representative sample of other
14 properties in the appraisal district; [~~or~~]

15 (2) the appraisal ratio of the property exceeds by at
16 least 10 percent the median level of appraisal of a sample of
17 properties in the appraisal district consisting of a reasonable
18 number of other properties similarly situated to, or of the same
19 general kind or character as, the property subject to the appeal; or

20 (3) the appraised value of the property exceeds the
21 median appraised value of a reasonable number of comparable
22 properties appropriately adjusted.

23 (b) If a property owner is entitled to relief under
24 Subsection (a)(1), the court shall order the property's appraised
25 value changed to the value as calculated on the basis of the median
26 level of appraisal according to Subsection (a)(1). If a property
27 owner is entitled to relief under Subsection (a)(2), the court

1 shall order the property's appraised value changed to the value
2 calculated on the basis of the median level of appraisal according
3 to Subsection (a)(2). If a property owner is entitled to relief
4 under Subsection (a)(3), the court shall order the property's
5 appraised value changed to the value calculated on the basis of the
6 median appraised value according to Subsection (a)(3). If a
7 property owner is entitled to relief under more than one
8 subdivision of Subsection (a) [~~both Subsection (a)(1) and~~
9 ~~Subsection (a)(2)~~], the court shall order the property's appraised
10 value changed to the value [~~calculated on the basis of the median~~
11 ~~level of appraisal~~] that results in the lowest [~~lower~~] appraised
12 value. The court shall determine each applicable median level of
13 appraisal or median appraised value according to law, and is not
14 required to adopt the median level of appraisal or median appraised
15 value proposed by a party to the appeal. The court may not limit or
16 deny relief to the property owner entitled to relief under a
17 subdivision of Subsection (a) because the appraised value
18 determined according to another [~~the other~~] subdivision of
19 Subsection (a) results in a higher appraised value.

20 (d) For purposes of this section, the value of the property
21 subject to the suit and the value of a comparable property or sample
22 property that is used for comparison must be the market value
23 determined by the appraisal district when the property is a
24 residence homestead subject to the limitation on appraised value
25 imposed by Section 23.23. [~~The district court shall grant relief on~~
26 ~~the ground that a property is appraised unequally if the appraised~~
27 ~~value of the property exceeds the median appraised value of a~~

1 ~~reasonable number of comparable properties appropriately~~
2 ~~adjusted.]~~

3 SECTION 4. Section 43.01, Tax Code, is amended to read as
4 follows:

5 Sec. 43.01. AUTHORITY TO BRING SUIT. (a) The following
6 persons [A taxing unit] may sue the appropriate appraisal district
7 or the appraisal review board established for that appraisal
8 district [that appraises property for the unit] to compel the
9 appraisal district or appraisal review board to comply with the
10 provisions of this title, rules of the comptroller, or other
11 applicable law:

12 (1) a taxing unit;

13 (2) a property owner;

14 (3) a lessee of property who is contractually
15 obligated to pay taxes imposed on the property;

16 (4) an agent of a property owner designated under
17 Section 1.111; or

18 (5) any other person authorized to bring an action on
19 behalf of a person listed in Subdivisions (1)-(4).

20 (b) The court shall award court costs and reasonable
21 attorney's fees to a plaintiff who prevails in a suit brought under
22 this section.

23 SECTION 5. (a) Section 43.01, Tax Code, as amended by this
24 Act takes effect September 1, 2003.

25 (b) The changes in law made by Section 43.01, Tax Code, as
26 amended by this Act apply only to a suit filed under Section 43.01,
27 Tax Code, on or after the effective date of this Act. A suit filed

1 under Section 43.01, Tax Code, before the effective date of this Act
2 is governed by the law in effect on the date the suit was filed, and
3 the former law is continued in effect for that purpose.

4 SECTION 6. (a) This Act takes effect September 1, 2003.

5 (b) The change in law made by this Act applies only to review
6 of an appraisal of property that was initiated by the filing of a
7 notice of protest with an appraisal review board on or after the
8 effective date of this Act. Review of an appraisal of property that
9 was initiated by the filing of a notice of protest with an appraisal
10 review board before the effective date of this Act is governed by
11 the law in effect on the date the notice of protest was filed, and
12 the former law is continued in effect for that purpose.