

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. Sections 41.43(a) and (b), Tax Code, are amended  
4 to read as follows:

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

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

14 (1) the appraisal ratio of the property is equal to or  
15 less [~~not greater~~] than the median level of appraisal of [+]

16 [~~(1)~~] a reasonable and representative sample of other  
17 properties in the appraisal district;

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

23 (3) the appraised value of the property is equal to or  
24 less than the median appraised value of a reasonable number of  
25 comparable properties appropriately adjusted.

26 SECTION 3. Section 42.221, Tax Code, is amended to read as  
27 follows:

1           Sec. 42.221. CONSOLIDATED APPEALS FOR MULTICOUNTY PROPERTY  
2 ~~[PIPELINE OR ELECTRIC LINE]~~. (a) The owner of property of a  
3 telecommunications provider, as defined by Section 51.002,  
4 Utilities Code, or the owner of property regulated by the Railroad  
5 Commission of Texas, the federal Surface Transportation Board, or  
6 the Federal Energy Regulatory Commission ~~[an oil or gas pipeline or~~  
7 ~~electric transmission or distribution line]~~ that runs through or  
8 operates in more than one county and is appraised by more than one  
9 appraisal district may appeal an order of an appraisal review board  
10 relating to the property running through or operating in more than  
11 one county ~~[pipeline or electric line, to property attached to or~~  
12 ~~connected with the pipeline or electric line, or to an easement or~~  
13 ~~other real property on which the pipeline or electric line is~~  
14 ~~located]~~ to the district court of any county in which a portion of  
15 the property ~~[pipeline or electric line]~~ is located or operated if  
16 the order relating to that portion of the property ~~[pipeline or~~  
17 ~~electric line]~~ is appealed.

18           (b) A petition for review of each appraisal review board  
19 order under this section must be filed with the court as provided by  
20 Section 42.21. The fee for filing each additional petition for  
21 review under this section ~~[relating to a pipeline or electric line]~~  
22 after the first petition for review relating to the same property  
23 ~~[pipeline or electric line]~~ is filed for a tax year is \$5.

24           (c) If only one appeal by the owner of property subject to  
25 this section ~~[an oil or gas pipeline or electric line]~~ is pending  
26 before the court in an appeal from the decision of an appraisal  
27 review board of a district other than the appraisal district for

1 that county, any party to the suit may, not earlier than the 30th  
2 day before and not later than the 10th day before the date set for  
3 the hearing, make a motion to transfer the suit to a district court  
4 of the county in which the appraisal review board from which the  
5 appeal is taken is located. In the absence of a showing that  
6 further appeals under this section will be filed, the court shall  
7 transfer the suit.

8 (d) When the owner files the first petition for review under  
9 this section for a [~~pipeline or electric line for a~~] tax year, the  
10 owner shall include with the petition a list of each appraisal  
11 district in which the property [~~pipeline or electric line~~] is  
12 appraised for taxation in that tax year.

13 (e) The court shall consolidate all the appeals for a tax  
14 year relating to a single property subject to this section  
15 [~~pipeline or electric line~~] for which a petition for review is filed  
16 with the court and may consolidate other appeals relating to other  
17 property subject to this section [~~pipelines or electric lines~~] of  
18 the same owner if the property is [~~pipelines or electric lines are~~]  
19 located in one or more of the counties on the list required by  
20 Subsection (d). Except as provided by this subsection, on the  
21 motion of the [~~pipeline or electric line~~] owner of a property  
22 subject to this section the court shall grant a continuance to  
23 provide the owner with an opportunity to include in the proceeding  
24 appeals of appraisal review board orders from additional appraisal  
25 districts. The court may not grant a continuance to include an  
26 appeal of an appraisal review board order that relates to a property  
27 subject to this section [~~the pipeline or electric line~~] in that tax

1 year after the time for filing a petition for review of that order  
2 has expired.

3 (f) This section does not affect the property owner's right  
4 to file a petition for review of an individual appraisal district's  
5 order relating to a property subject to this section [~~pipeline or~~  
6 ~~electric line~~] in the district court in the county in which the  
7 appraisal review board is located.

8 (g) On a joint motion or the separate motions of at least 60  
9 percent of the appraisal districts that are defendants in a  
10 consolidated suit filed before the 45th day after the date on which  
11 the property owner's petitions for review of the appraisal review  
12 board orders relating to a property subject to this section  
13 [~~pipeline or electric line~~] for that tax year must be filed, the  
14 court shall transfer the suit to a district court of the county  
15 named in the motion or motions if that county is one in which one of  
16 the appraisal review boards from which an appeal was taken is  
17 located.

18 SECTION 4. Sections 42.26(a), (b), and (d), Tax Code, are  
19 amended to read as follows:

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

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

24 [~~1~~] a reasonable and representative sample of other  
25 properties in the appraisal district; [~~or~~]

26 (2) the appraisal ratio of the property exceeds by at  
27 least 10 percent the median level of appraisal of a sample of

1 properties in the appraisal district consisting of a reasonable  
2 number of other properties similarly situated to, or of the same  
3 general kind or character as, the property subject to the appeal; or

4 (3) the appraised value of the property exceeds the  
5 median appraised value of a reasonable number of comparable  
6 properties appropriately adjusted.

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

1 subdivision of Subsection (a) because the appraised value  
2 determined according to another [~~the other~~] subdivision of  
3 Subsection (a) results in a higher appraised value.

4 (d) For purposes of this section, the value of the property  
5 subject to the suit and the value of a comparable property or sample  
6 property that is used for comparison must be the market value  
7 determined by the appraisal district when the property is a  
8 residence homestead subject to the limitation on appraised value  
9 imposed by Section 23.23. [~~The district court shall grant relief on~~  
10 ~~the ground that a property is appraised unequally if the appraised~~  
11 ~~value of the property exceeds the median appraised value of a~~  
12 ~~reasonable number of comparable properties appropriately~~  
13 ~~adjusted.]~~

14 SECTION 5. (a) This Act takes effect September 1, 2003.

15 (b) The change in law made by this Act applies only to review  
16 of an appraisal of property that was initiated by the filing of a  
17 notice of protest with an appraisal review board on or after the  
18 effective date of this Act. Review of an appraisal of property that  
19 was initiated by the filing of a notice of protest with an appraisal  
20 review board before the effective date of this Act is governed by  
21 the law in effect on the date the notice of protest was filed, and  
22 the former law is continued in effect for that purpose.

H.B. No. 1082

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President of the Senate

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Speaker of the House

I certify that H.B. No. 1082 was passed by the House on May 9, 2003, by a non-record vote; that the House refused to concur in Senate amendments to H.B. No. 1082 on May 30, 2003, and requested the appointment of a conference committee to consider the differences between the two houses; and that the House adopted the conference committee report on H.B. No. 1082 on June 1, 2003, by a non-record vote.

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Chief Clerk of the House



H.B. No. 1082

I certify that H.B. No. 1082 was passed by the Senate, with amendments, on May 28, 2003, by a viva-voce vote; at the request of the House, the Senate appointed a conference committee to consider the differences between the two houses; and that the Senate adopted the conference committee report on H.B. No. 1082 on June 1, 2003, by a viva-voce vote.

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Secretary of the Senate

APPROVED: \_\_\_\_\_

Date

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Governor