

By: Staples

S.B. No. 1638

A BILL TO BE ENTITLED

1 AN ACT

2 relating to remedies for the unequal appraisal of property by an
3 appraisal district.

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

5 SECTION 1. Section 41.43, Tax Code, is amended by amending
6 Subsections (a) and (b) and adding Subsection (d) to read as
7 follows:

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

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

18 (1) the appraisal ratio of the property is [~~not~~]
19 greater than the median level of appraisal of [+

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

22 (2) the appraisal ratio of the property is greater
23 than the median level of appraisal of a sample of properties in the
24 appraisal district consisting of a reasonable number of other

1 properties similarly situated to, or of the same general kind or
2 character as, the property subject to the protest; or

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

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

12 SECTION 2. Sections 42.26(a), (b), and (d), Tax Code, are
13 amended to read as follows:

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

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

18 [~~1~~] a reasonable and representative sample of other
19 properties in the appraisal district; [~~or~~]

20 (2) the appraisal ratio of the property exceeds by at
21 least 10 percent the median level of appraisal of a sample of
22 properties in the appraisal district consisting of a reasonable
23 number of other properties similarly situated to, or of the same
24 general kind or character as, the property subject to the appeal; or

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

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

25 (d) For purposes of this section, the value of the property
26 subject to the suit and the value of a comparable property or sample
27 property that is used for comparison must be the market value

1 determined by the appraisal district when the property is a
2 residence homestead subject to the limitation on appraised value
3 imposed by Section 23.23. [~~The district court shall grant relief on~~
4 ~~the ground that a property is appraised unequally if the appraised~~
5 ~~value of the property exceeds the median appraised value of a~~
6 ~~reasonable number of comparable properties appropriately~~
7 ~~adjusted.]~~

8 SECTION 3. (a) This Act takes effect September 1, 2003.

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