

By: Van Arsdale

H.B. No. 2463

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the authority of an owner of real property to require
3 that ad valorem taxes be imposed on that real property on the basis
4 of a five-year average of the property's taxable value.

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

6 SECTION 1. Section 25.19, Tax Code, is amended by adding
7 Subsection (b-2) to read as follows:

8 (b-2) In addition to the information required by
9 Subsections (b), (b-1), and (f), the chief appraiser shall include
10 in a notice required to be delivered under Subsection (a) or (g) for
11 real property:

12 (1) the taxable value of the property in each of the
13 four years preceding the current tax year;

14 (2) the average taxable value of the property over the
15 five-year period ending with the current tax year; and

16 (3) a statement that the property owner may elect to
17 require taxes for the current tax year and the next nine tax years
18 to be imposed on the property on the basis of the five-year average
19 taxable value in each year instead of on the basis of the taxable
20 value for that year by filing a request with the assessor for each
21 taxing unit that taxes the property, including an explanation of
22 the deadline for filing the request.

23 SECTION 2. Section 26.09(c), Tax Code, is amended to read as
24 follows:

1 (c) Except as provided by Section 26.095, the ~~The~~ tax is
2 calculated by:

3 (1) subtracting from the appraised value of a property
4 as shown on the appraisal roll for the unit the amount of any
5 partial exemption allowed the property owner that applies to
6 appraised value to determine net appraised value;

7 (2) multiplying the net appraised value by the
8 assessment ratio to determine assessed value;

9 (3) subtracting from the assessed value the amount of
10 any partial exemption allowed the property owner to determine
11 taxable value; and

12 (4) multiplying the taxable value by the tax rate.

13 SECTION 3. Chapter 26, Tax Code, is amended by adding
14 Section 26.095 to read as follows:

15 Sec. 26.095. ALTERNATIVE METHOD FOR CALCULATION OF TAX ON
16 REAL PROPERTY. (a) An owner of real property may require that
17 taxes imposed on that property for the current tax year and each of
18 the subsequent nine tax years be calculated on the basis of the
19 average taxable value of the property over the five-year period
20 ending with the tax year for which the taxes are imposed.

21 (b) To require that taxes imposed by a taxing unit be
22 calculated under this section, the owner of the property must file a
23 request with the assessor for the taxing unit. The request must
24 include a statement by the property owner requesting that, for the
25 current tax year and each of the subsequent nine tax years, the
26 taxes imposed by the taxing unit on the property described in the
27 request be calculated under the method described by Subsection (a),

1 subject to Subsections (d)-(g). The comptroller by rule shall
2 prescribe the form of the request.

3 (c) A completed request must be filed not later than the
4 later of June 15 or, if the notice is required to be delivered to the
5 property owner, the 21st day after the date the property owner
6 receives notice of the appraised value of the real property for the
7 current tax year. If a property owner timely files a completed
8 request with the assessor for a taxing unit, the taxes of that
9 taxing unit for the current tax year on the real property described
10 in the request shall be calculated under the method described by
11 Subsection (a). If a property owner fails to timely file a
12 completed request, the taxes of a taxing unit may not be calculated
13 under the method described by Subsection (a) unless in a prior tax
14 year the property owner requested the taxes imposed by the taxing
15 unit on the property to be calculated under that method in the
16 current tax year as one of the subsequent nine years covered by the
17 request made in the prior tax year.

18 (d) Notwithstanding Subsections (a) and (b), the owner of
19 real property who has previously requested that taxes imposed by a
20 taxing unit on the property be calculated under the method
21 described by Subsection (a) may revoke the owner's request for
22 taxation of that property under that method in the current tax year.
23 A revocation under this subsection must be made in writing and filed
24 with the assessor for the taxing unit not later than the later of
25 June 15 or, if the notice is required to be delivered to the
26 property owner, the 21st day after the date the property owner
27 receives notice of the appraised value of the real property for the

1 current tax year.

2 (e) If a property owner timely revokes the owner's request
3 that taxes imposed by a taxing unit be calculated under this
4 section:

5 (1) the taxes of that taxing unit for the current tax
6 year on the owner's real property may not be calculated under the
7 method described by Subsection (a);

8 (2) an additional tax is imposed on the real property
9 equal to the positive difference, if any, between the taxes imposed
10 on the property for each of the 10 preceding tax years, if any, in
11 which taxes imposed by the taxing unit on the property were
12 calculated under the method described by Subsection (a) and the
13 taxes that would have been imposed had those taxes on the property
14 in each of those tax years not been calculated under that method;
15 and

16 (3) as soon as practicable, the assessor for the
17 taxing unit shall prepare and deliver a bill to the property owner
18 for the additional taxes plus interest at an annual rate of seven
19 percent calculated from the dates on which the differences in taxes
20 would have become due.

21 (f) The additional tax and interest are due and become
22 delinquent if not paid before the next February 1 that is at least
23 20 days after the date the bill is delivered to the property owner.
24 A tax lien attaches to the real property to secure payment of the
25 additional tax and interest imposed by Subsection (e). The lien
26 exists in favor of each taxing unit for which the additional tax is
27 imposed.

1 (g) If property on which taxes are calculated under the
2 method provided by Subsection (a) ceases to be owned by the property
3 owner who filed the request under Subsection (b) or by a subsequent
4 owner, the taxes on the property shall continue to be calculated
5 under that method for each of the tax years covered by the request
6 of the prior owner unless the new owner of the property requests
7 that the taxes on the property not be calculated under Subsection
8 (a). A request under this subsection must be filed in the time and
9 manner required for a revocation under Subsection (d). If the new
10 owner timely files a request under this subsection:

11 (1) the taxes for the current tax year on the property
12 may not be calculated under the method described by Subsection (a);
13 and

14 (2) the property is subject to the additional tax and
15 lien provided by Subsections (e) and (f).

16 (h) This subsection expires January 1, 2010.
17 Notwithstanding the reference in Subsection (a) to a five-year
18 period:

19 (1) for the 2008 tax year, the taxes calculated under
20 the method provided by Subsection (a) shall be calculated on the
21 basis of the average taxable value of the property over the
22 three-year period ending with the tax year for which the taxes are
23 imposed; and

24 (2) for the 2009 tax year, the taxes calculated under
25 the method provided by Subsection (a) shall be calculated on the
26 basis of the average taxable value of the property over the
27 four-year period ending with the tax year for which the taxes are

1 imposed.

2 SECTION 4. Section 31.01, Tax Code, is amended by adding
3 Subsection (c-2) to read as follows:

4 (c-2) In addition to the information required by
5 Subsections (c) and (c-1), the assessor shall include in the tax
6 bill or separate statement for real property the taxable value of
7 the property in each of the four years before the current tax year
8 and the average taxable value of the property over the five-year
9 period ending with the current tax year.

10 SECTION 5. This Act applies only to ad valorem taxes imposed
11 for a tax year beginning on or after the effective date of this Act.

12 SECTION 6. This Act takes effect January 1, 2008, but only
13 if the constitutional amendment authorizing the legislature to
14 permit the owner of real property to require that ad valorem taxes
15 be imposed on the real property on the basis of a five-year average
16 of the property's taxable value is approved by the voters. If that
17 amendment is not approved by the voters, this Act has no effect.