

By: Paxton, Zerwas, Harless, Gattis, Truitt,
et al.

H.B. No. 1038

A BILL TO BE ENTITLED

AN ACT

relating to the determination of the market value of a residence
homestead for purposes of ad valorem taxation.

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

SECTION 1. Section 23.01, Tax Code, is amended by adding
Subsection (c) to read as follows:

(c) Notwithstanding Section 1.04(7)(C), in determining the
market value of a residence homestead, the chief appraiser may not
exclude from consideration the value of other residential property
that is in the same neighborhood as the residence homestead being
appraised and would otherwise be considered in appraising the
residence homestead because the other residential property:

(1) was sold at a foreclosure sale conducted in any of
the three years preceding the tax year in which the residence
homestead is being appraised and was comparable at the time of sale
based on relevant characteristics with other residence homesteads
in the same neighborhood; or

(2) has a market value that has declined because of a
declining economy.

SECTION 2. This Act takes effect January 1, 2010.